



Utah Counties Insurance Pool
Serving Counties Since 1992

AGENDA

BOARD OF TRUSTEES MEETING

April 19, 2005, 3:00 p.m.
Utah Counties Insurance Pool Building
5397 South Vine Street, SLC, UT

ITEM

- | | | |
|---|--|-----------------------------|
| 1 | Call to Order | Lynn Lemon |
| 2 | Review of Board Members Absent | Lynn Lemon |
| 3 | Approval of February 17 Minutes | Lynn Lemon |
| 4 | Actuarial Report | Lisa Dennison |
| 5 | Audit Report | Geri Douglas & Martha Hayes |
| 6 | Building Committee Report | Kent Sundberg |
| 7 | Other Business | Lynn Lemon |
| 8 | Adjourn Until April 27, 2005 6:30 p.m. | Lynn Lemon |

TO JOIN THE MEETING TELEPHONICALLY:

Call 1-888-447-7153

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Utah Counties Insurance Pool
Serving Counties Since 1992

BOARD OF TRUSTEES MEETING

M I N U T E S

April 19, 2005, 3:00 p.m.
Utah Counties Insurance Pool Building, Salt Lake City, UT

**BOARD MEMBERS
PRESENT**

Lynn Lemon, *Vice President*, Cache County Executive
Steve Baker, Davis County Personnel Director
Ira Hatch, Emery County Commissioner
Kent Sundberg, Utah County Deputy Attorney
Steve Wall, Sevier County Clerk-Auditor

**BOARD MEMBERS
JOINING VIA TELEPHONE**

Gene Roundy, *Secretary-Treasurer*, Iron County Commissioner
Kay Blackwell, Piute County Commissioner
Jerry Grover, Utah County Commissioner

**BOARD MEMEBERS
ABSENT**

Dan McConkie, *President*, Davis County Commissioner
Ken Bischoff, Weber County Commissioner
Jim Eardley, Washington County Commissioner
Ed Phillips, Millard County Sheriff

OTHERS PRESENT

Lester Nixon, Chief Executive Officer
Mark Brady, Loss Control Manager
Sonya White, Executive Assistant
Lisa Dennison, By The Numbers Actuarial Consultants
Geri Douglas, Larson & Company
Martha Hayes, Larson & Company

Call to Order

Dan McConkie requested that Lynn Lemon chair this meeting of the Utah Counties Insurance Pool Board of Trustees. Lynn called the meeting to order at 3:00 p.m. on April 19, 2005 and welcomed those in attendance and joining the meeting via telephonic conference.

Review of Board Members Absent

Ken Bischoff is in Florida with his family and requested to be excused from this meeting. Dan McConkie requested to be excused from this meeting due to a conflicting meeting. Ed Phillips requested to be excused from this meeting to attend the Sheriff's Association meeting. Jim Eardley responded that he would join via telephonic conference but did not join the meeting. Steve Wall made a motion to excuse Ken, Dan and Ed from this meeting. Ira Hatch seconded the motion, which passed unanimously.

Approval of February Minutes

The minutes of the Board of Trustees meeting held February 17, 2005 were previously sent to the Board Members for review. Ira Hatch made a motion to approve the February 17 meeting minutes as written. Steve Wall seconded the motion, which passed unanimously.

Actuarial Report

Lisa Dennison reviewed the 2004 Multiline Actuarial report with the Board (see attachment #1). On page five, Lisa explained that surplus is down \$1.2 million from last year's analysis due to an increase in reserves (more reserves, more from surplus). The estimated retained losses as of 12/31/04 chart shows paid losses, case reserves set by the claims adjuster, and incurred but not reported (IBNR) reserves set by the actuary. Three things affect surplus; 1) Changes in prior year's estimates, 2) claims experience for current year, and 3) dividends. The table on page four shows the comparison of estimated ultimate incurred losses to the prior year's actuarial report. The change is \$508,793 worse than projected last year. Page 65 shows prior year incurred losses and incurred losses as of 12/31/04. The increase in losses is due to one large auto liability claim in Weber County and three general liability claims, two in Uintah County and one in Box Elder County. These cases really drove the increase in known cases or the "incurred but not enough" analysis. The comparison of estimated ultimate incurred losses to the prior report, page six, shows cases paid in excess of actuary estimates for the year 2000. The chart on page five shows the aggregate insurance line. If the Pool reaches the aggregate limit then cases will be reimbursed by the aggregate carrier when claims are paid (not reserved). Page 13 shows the historical and expected development of incurred losses. The thick line charts the actual claims and the thin line is the projected claims. Page 17 shows the historical and expected development of paid losses. Page 20 charts the comparison of the two methods; paid and incurred, to make sure severity is reasonable. The actuaries best estimated required reserves is \$3,812,629 (page 54) an increase of \$508,793 from the 2003 analysis. No outside industry experience was used in this analysis; only the Pool's experience. The historical profitability analysis is listed on page 57 showing premium and expenses by policy year. If investment income is included then it appears the Pool has a loss of \$200,000 in 2004. Kent Sundberg noted that the Board intentionally underfunded the 2004 and 2003 programs as not to increase premiums. Lisa said that the Pool would now be at a one-to-one premium-to-surplus ratio whereas the industry is typically at a three-to-one.

Lisa Dennison reviewed the 2004 Workers' Compensation Actuarial report with the Board (see attachment #2). Utah industry experience was used in this analysis because the Pool only has one year of experience and the industry does not include public agency pools which tend to have lower experience than the private sector. Page 14 shows the four methods used: 1) incurred developed; 2) paid developed; 3) incurred medical; and 4) paid medical. An average was selected of \$850,000. The actuaries best estimated required reserves is \$576,246 (page 13). Workers' comp cases in Utah run an average of eight years (industry is higher) so it will be several years before 2004 experience is fully known. Lisa confirmed that although these estimates seem high they only affect the Pool's financial statements not its cash flow. Lester Nixon explained that premiums were increased 15% for the 2005 program and he doesn't see claims developing to the IBNR of \$500,000 set by the actuaries when only 10% of 300 claims in 2004 were indemnity. No trends for governmental pools were used in the analysis and it is not unusual for new pools to experience this type of analysis.

Steve Wall made a motion to accept the multiline and workers' compensation 2004 Actuarial Reports as presented. Ira Hatch seconded the motion, which passed unanimously.

Audit Report

Lynn Lemon reported that the Audit Committee met via telephonic conference with the auditors on Monday, April 18 and will turn the time over to Geri Douglas and Martha Hayes for the Audit Report. Geri reviewed the 2004 Financial Statements and Independent Auditors' Report with the Board (see attachment #3). Page three outlines the responsibility of the auditors to express an opinion on the financial statements and audit and they have expressed a "clean" opinion. Pages four through seven is the Management's Discussion and Analysis letter written by Lester Nixon. This is a very important summary of the financials and should be read by the Board. Kent Sundberg requested that the statute needs to be cited correctly on page four; Lester will correct. Lynn Lemon thought the Board had asked for a budget to actual comparison for the prior year to be included on the audit. Geri and Martha thought the comparison was only for the financial statements but will include the comparison in the supplementary information next year. The statement of net assets (page eight) includes the investments on an amortized basis assuming the bonds are held to maturity. Assets were \$5,000 higher in 2004 than in 2003, liabilities increased \$1.2 million and restricted assets decreased \$1.2 million. The statement of revenue, expenses and changes in net assets (page nine) shows an increase in income due to workers' compensation premiums, benefits include IBNRs and paid claims and the administration expenses have increased due to the addition of staff and a new expense discovered last week of premium taxes in the amount of \$90,667. Lester Nixon explained that the Labor Commission imposes a self-insurer's premium tax on self-insured pools. The State Tax Commission collects the premium tax. Geri continued explaining a \$1.2 million loss in net assets at year's end. Page ten shows the cash basis of cash flows through the year. Interest on investments more than doubled from 2003 to 2004. Continuing to the notes to the basic financial

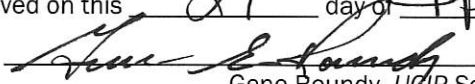
Lester explained that at least \$250,000 is not showing in assets for principal paid by the Pool for the building (see item #4 page 16). Geri explained that page 20 lists the actuarial information the auditors are required to report. Noted on page 22, statement of assets by line of business, is the restricted \$1,315,150 investment required by the Labor Commission for the workers' comp program. These monies were loaned from the multiline pool and are accruing interest for repayment. Page 23 is the statement of revenues, expenses and changes in net assets by line of business. Change in net assets before transfers is a negative \$681,307 for the multiline and negative \$545,034 for the worker's comp. program for a total change in net assets of (\$1,226,341). There were no instances to be reported on compliance and internal control (pages 25-26). Claims were tested and reserves analyzed and the auditors feel comfortable with the numbers received by the actuary. State legal compliance is reported in pages 27-28, wherein it states the year's claim experience was worse than expected and therefore, the budget was overspent. The State Auditor accepts reporting overages this way. Geri reviewed the Management Letter with the Board (see attachment #4). Recommendations presented for consideration to strengthen internal control and operating efficiency is the adoption of a code of ethics policy and fraud policy to be signed by each employee, review and approval of the monthly credit card statements, and formalize the investment policy regarding interest rate risk to include limits on the amount of investments that can be invested in securities maturing at specific time periods. Lester will bring these recommendations to the Board at their June meeting. Steve Baker made a motion to accept the 2004 Audit as presented. Steve Wall seconded the motion, which passed unanimously.

Building Committee Report

Kent Sundberg requested that the Committee report be tabled until the April 27 Board of Trustees meeting.

Other Business

Kay Blackwell made a motion to adjourn this meeting until April 27, 2005 at 6:30 p.m.

Approved on this 27 day of April 2005

Gene Roundy, UCIP Secretary-Treasurer

UTAH COUNTIES INSURANCE POOL (UCIP)

ACTUARIAL REPORT

*Estimated Required Reserves
as of 12/31/04*

By The Numbers
Actuarial
Consulting, Inc.



April 6, 2005

DHL EXPRESS

Mr. Lester J. Nixon, CPCU
Director, Utah Counties Insurance Pool
5397 South Vine Street
Salt Lake City, UT 84107

Dear Mr. Nixon:

Enclosed are one unbound and two bound copies of the actuarial report prepared for the Utah Counties Insurance Pool (UCIP) at your request. This report calculates the required reserves as of 12/31/04 for reported and incurred but not reported claims retained during the 1/1/92-12/31/04 period.

The estimates contained in this report are based on data provided by UCIP. These data and the associated assumptions should be reviewed for their consistency with the internal records of UCIP. Any discrepancy in the completeness, interpretation, or accuracy of the information used may require a revision to this report.

If you have any questions, please contact us. It is a pleasure to be of service to UCIP.

Sincerely,



Jeffrey S. McSweeney
Vice President and Consulting Actuary



Lisa Dennison, FCAS, FCA, MAAA
President and Consulting Actuary

enclosure

UTAH COUNTIES INSURANCE POOL

ACTUARIAL REPORT

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UTAH COUNTIES INSURANCE POOL

ACTUARIAL REPORT

PURPOSE

By the Numbers Actuarial Consulting, Inc. (BYNAC) prepared this actuarial report to present a professional analysis of the required reserves retained by the Utah Counties Insurance Pool (UCIP) as of 12/31/04 for property and liability claims incurred from 1/1/92 through 12/31/04. The required reserves are estimated excluding and including the effects of anticipated investment income earned on the reserves until they are paid.

The estimated required reserves are based on estimates of ultimate incurred losses. Ultimate incurred losses are defined to be the amounts that will be paid to settle all claims occurring during a policy period. These estimates include a provision for the subsequent development of known claims and for claims incurred but not yet reported. Incurred but not reported (IBNR) losses are defined throughout this report to include the additional development on known claims in addition to claims incurred but not yet reported.

FINDINGS

The findings are the product of loss experience, actuarial assumptions, quantitative analysis, and professional judgment. The estimated required reserves are expressed in terms of ranges that indicate the reliance on assumptions believed to be reasonable and are subject to all the limitations expressed herein.

ESTIMATED REQUIRED RESERVES

The required reserves shown in the following tables should be used for financial statement reporting as of that date. However, until all the claims that occurred on or before 12/31/04 are closed, the actual reserve need remains an estimate. While the experience of UCIP indicates that the required reserves will fall within the range established in this report, the possibility exists that extraordinary or unexpected circumstances could cause the actual reserve need to be less than or greater than the range. Therefore, the findings cannot be warranted or guaranteed.

**ESTIMATED LOSS AND ALAE RESERVES INCLUDING
IBNR FOR 1/1/92-12/31/04 AS OF 12/31/04**
(Losses Including ALAE Limited to Specific and Aggregate Retentions)

	Line of Business	Low	Expected	High
Undiscounted for Investment Income	GL	\$2,590,000	\$3,060,000	\$3,550,000
	AL	420,000	610,000	830,000
	Property	140,000	140,000	160,000
	Total	\$3,150,000	\$3,810,000	\$4,540,000
Discounted at 3.0% per Annum	GL	\$2,440,000	\$2,880,000	\$3,340,000
	AL	410,000	590,000	800,000
	Property	140,000	140,000	150,000
	Total	\$2,990,000	\$3,610,000	\$4,290,000

The low and high figures are judgmental and not intended to establish absolute minimums or maximums on the estimates, but rather to depict a reasonable range for the establishment of loss reserves in this particular situation. Figure 1 contains a graphical representation of UCIP's estimated retained loss experience as of 12/31/04 including the undiscounted expected reserves.

As noted, the reserves are estimated on both undiscounted and discounted for investment income bases. UCIP has provided the discount rate of 3.0%. Establishing loss reserves on a discounted basis requires that future investment income earned on the loss reserves be added to the reserves to strengthen them rather than recognized as net income. It also assumes that assets equal to the present value of the reserves are available for investment as of the 12/31/04 evaluation date. The accuracy of discounted reserves depends upon the accuracy of the undiscounted estimates, the estimated payout schedule, and the interest rate assumption used to discount the loss payout schedule. If the discounted estimate is used, the management of UCIP should carefully review each of these assumptions to assure that they are in agreement with them.

COMPARISON TO PRIOR REPORT

The ultimate incurred losses estimated in this report are compared to the 2/16/04 Actuarial Report in the following table and Figure 2. As shown the estimates increased \$508,793 or 3.3% from 12/31/03 to 12/31/04. In the 1/1-12/31/00 period, the increase in losses from 12/31/03 to 12/31/04 is due to one large auto liability claim (WEB00088040). For 1/1-12/31/02, three GL claims above \$50,000 are the source of the increase (UIN02088010, BOX02088270, UIN02088030), the second and largest of which is now closed.

**COMPARISON OF ESTIMATED ULTIMATE
INCURRED LOSSES TO PRIOR ACTUARIAL REPORT
ALL COVERAGES**
(Losses Including ALAE Limited to Specific and Aggregate Retentions)

<u>Policy Period</u>	<u>Current Report (Table 28 Section B)</u>	<u>2/16/04 Report (Table 26 Section B)</u>	<u>Change</u>	<u>Percent Change</u>
1/1-12/31/92	\$ 850,000 @	\$ 850,000 @	\$ 0	0.0%
1/1-12/31/93	1,100,000 @	1,100,000 @	0	0.0%
1/1-12/31/94	1,350,000 @	1,350,000 @	0	0.0%
1/1-12/31/95	864,371	802,604	61,767	7.7%
1/1-12/31/96	899,711	877,650	22,061	2.5%
1/1-12/31/97	1,151,060	1,099,100	51,960	4.7%
1/1-12/31/98	1,399,377	1,308,532	90,845	6.9%
1/1-12/31/99	1,530,000 @	1,470,950	59,050	4.0%
1/1-12/31/00	1,119,812	971,608	148,204	15.3%
1/1-12/31/01	1,715,000 @	1,715,000 @	0	0.0%
1/1-12/31/02	1,775,466	1,574,314	201,152	12.8%
1/1-12/31/03	<u>2,178,111</u>	<u>2,304,357</u>	<u>(126,246)</u>	<u>(5.5%)</u>
Total	\$15,932,908	\$15,424,115	\$ 508,793	3.3%

@ Limited to the aggregate retention.

Figure 1

UTAH COUNTIES INSURANCE POOL
ESTIMATED RETAINED LOSSES AS OF 12/31/04

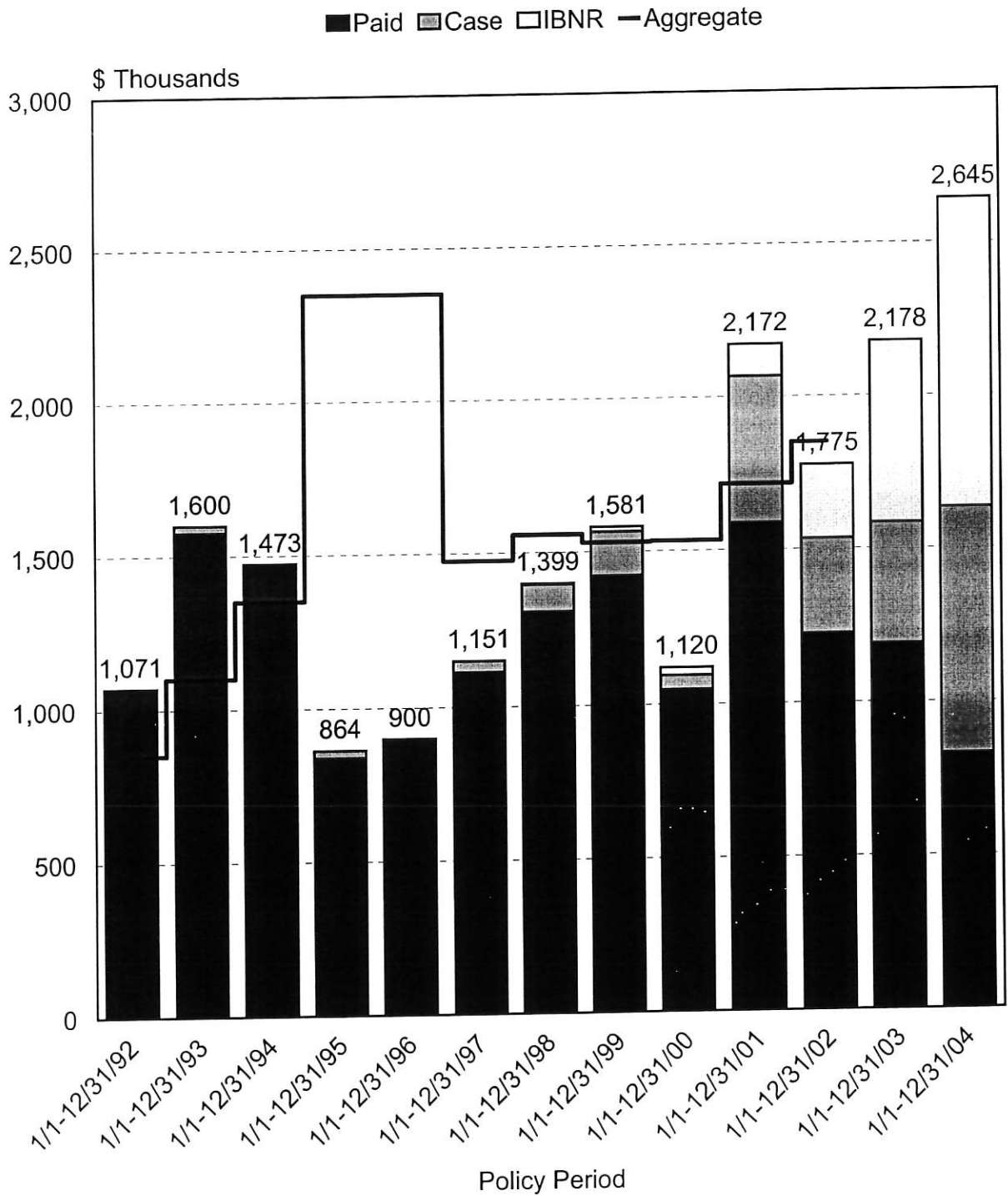
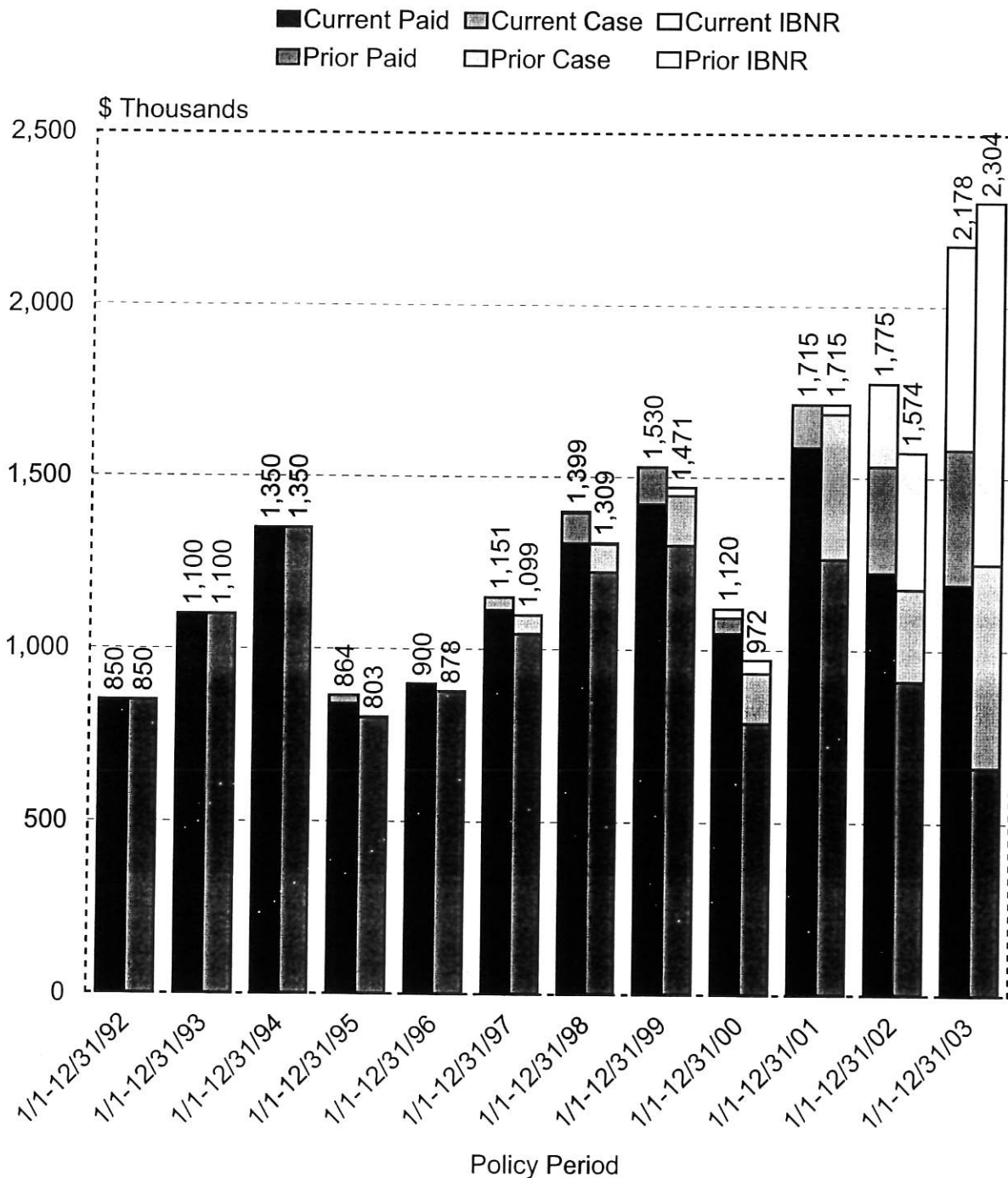


Figure 2

UTAH COUNTIES INSURANCE POOL

COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES TO PRIOR REPORT
(Limited to Specific and Aggregate Retentions)



ASSUMPTIONS

DEFINITIONS

Losses in this report include allocated loss adjustment expense (ALAE). ALAE are those expenses that can be directly attributed to a specific claim, such as litigation costs. Loss adjustment expenses that cannot be directly associated with an individual claim are known as unallocated loss adjustment expense (ULAE). Reserves for unearned premiums, unpaid administrative expenses, contingencies, catastrophes, or future premium deficiencies are not included in the estimates.

HISTORICAL INFORMATION

For the periods under review, UCIP has assumed its members' general liability, automobile liability, and property losses. UCIP's unique development patterns are used to estimate the ultimate losses expected to be incurred by UCIP for the periods analyzed in this report. This methodology assumes that the historical development patterns are indicative of the future development expected for the periods considered.

All data are based on information provided by UCIP. The 12/31/04 loss run is used as the basis for the current evaluation of loss. These data are reviewed for reasonableness and used without audit.

RETENTIONS

UCIP's retentions are summarized in the following table. There are nine claims excess of the specific retentions as of 12/31/04. The aggregate retention is exceeded on a paid basis in the 1/1-

12/31/92 through 1/1-12/31/94 periods and on an incurred basis for the 1/1-12/31/99 and 1/1-12/31/01 periods. Losses excess of the aggregate retention are allocated to general liability in the analysis.

SUMMARY OF RETENTIONS

Policy Period	Liability		Property Including Crime		All Lines Combined Aggregate Retention
	Specific Retention	ALAE	Specific Retention	ALAE	
1/1-12/31/92	\$250,000	Included	\$150,000	Included	\$ 850,000
1/1-12/31/93	250,000	Included	150,000	Included	1,100,000
1/1-12/31/94	250,000	Included	150,000	Included	1,350,000
1/1-12/31/95	250,000	Included	150,000	Included	2,350,000
1/1-12/31/96	250,000	Included	150,000	Included	2,350,000
1/1-12/31/97	250,000	Included	150,000	Included	1,475,000
1/1-12/31/98	250,000	Included	150,000	Included	1,558,000
1/1-12/31/99	250,000	Included	150,000	Pro-rata	1,530,000
1/1-12/31/00	250,000	Included	150,000	Pro-rata	1,532,250
1/1-12/31/01	250,000	Included	150,000	Pro-rata	1,715,000
1/1-12/31/02	250,000	Included	150,000	Pro-rata	1,850,000
1/1-12/31/03	250,000	Included	150,000	Pro-rata	N/A
1/1-12/31/04	250,000	Included	150,000	Pro-rata	N/A

It is assumed that the excess insurance will be collectible on all claims that ultimately develop beyond the retentions. An analysis of the collectibility of the excess insurance is beyond the scope of this report.

RESERVE ANALYSIS – GENERAL LIABILITY

OVERVIEW

To estimate the required reserves, it is first necessary to estimate the ultimate value of the prior periods based on the current evaluation of loss after limiting the losses to the appropriate retention. Required reserves are estimated as the difference between the ultimate incurred and paid losses. The historical payment pattern is analyzed and quantified to determine a unique payout schedule for UCIP. This schedule is used to predict when the required reserves will be paid so that the losses may be discounted to their present value.

Two procedures are used to estimate the ultimate incurred losses to provide a check for reasonableness and consistency. Following is a brief description of each method and the circumstances under which each works best.

Incurred loss development is the most widely used method of estimating ultimate incurred losses. By using the reserves on a claim-by-claim basis, the most recent claims adjusters' estimates are included in the analysis in addition to the cumulative paid losses. Inherent in the incurred loss development technique is the assumption that there are no changes in reserving practices.

A paid loss approach attempts to eliminate distortions that can occur in incurred methods when there is a suspected change in reserving procedures. Inherent in paid loss development techniques is the assumption that there are no changes in claims settlement practices.

INCURRED LOSS DEVELOPMENT

The ultimate cost of claims incurred for a specific time period is usually not known until several years after the close of that period. Loss development factors project the additional cost expected on claims. These factors quantify the late developing aspects of certain losses, such as claims involving medical complications not recognized in the early stages of treatment or verdict values for litigated claims that are different than the amount previously reserved to pay the claims. They also account for losses that occurred during the policy period but are not reported until a later date.

The calculation and selection of development factors to be applied to incurred losses are shown in Table 1, beginning with UCIP's unlimited general liability losses including ALAE as of different evaluation dates. For example, in Section A the table shows losses incurred during the 1/1-12/31/02 period evaluated as of 12, 24, and 36 months after the inception of that period. In general, the value of incurred losses increases from one evaluation to the next as a result of IBNR.

Section B displays age-to-age factors, the rates by which losses develop from year to year. For example, the 12 to 24 age-to-age factor for the 1/1-12/31/01 period is 1.861. This is the 24 month incurred amount of \$445,661 divided by the 12 month incurred amount of \$239,503. The age-to-age factor of 1.861 means that losses incurred during the 1/1-12/31/01 period increased by 86.1% during the 12 to 24 month interval. A loss development factor less than 1.000 indicates that the value of incurred losses declined, possibly due to claims settling for amounts less than previously reserved.

Table 1

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

INCURRED LOSS DEVELOPMENT FACTORS
(Unlimited Losses Including ALAE Gross of Recoveries)

A. INCURRED LOSSES

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92	188,478	242,543	933,581	974,831	991,660	1,025,784	1,050,356	1,063,004	1,039,616	1,039,616	1,039,616
1/1-12/31/93	320,845	786,867	755,147	1,133,863	1,211,539	1,134,257	1,123,765	1,123,765	1,121,166	1,121,155	1,132,155
1/1-12/31/94	265,454	422,793	484,235	513,389	697,436	776,687	608,764	608,588	608,588	608,588	635,463
1/1-12/31/95	112,136	481,987	444,526	680,251	596,503	566,955	573,455	586,352	556,421	621,686	
1/1-12/31/96	331,304	412,822	731,844	654,250	644,893	601,952	601,952	601,952	631,582		
1/1-12/31/97	65,931	270,199	742,587	558,107	559,296	659,550	723,808	817,800			
1/1-12/31/98	296,231	554,629	423,218	522,549	564,900	629,376	722,655				
1/1-12/31/99	329,829	889,534	842,742	910,646	987,003	1,096,883					
1/1-12/31/00	399,178	418,834	493,468	581,030	568,014						
1/1-12/31/01	239,503	445,661	777,071	985,018							
1/1-12/31/02	300,816	684,962	1,028,309								
1/1-12/31/03	445,552	768,721									
1/1-12/31/04	510,486										

B. AGE-TO-AGE FACTORS

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to Ultimate
1/1-12/31/92	1.287	3.849	1.044	1.017	1.034	1.024	1.012	0.978	1.000	1.000	
1/1-12/31/93	2.452	0.960	1.502	1.069	0.936	0.991	1.000	0.998	1.000	1.010	
1/1-12/31/94	1.593	1.145	1.060	1.358	1.114	0.784	1.000	1.000	1.000	1.044	
1/1-12/31/95	4.298	0.922	1.530	0.877	0.950	1.011	1.022	0.949	1.117		
1/1-12/31/96	1.246	1.773	0.894	0.986	0.933	1.000	1.000	1.049			
1/1-12/31/97	4.098	2.748	0.752	1.002	1.179	1.097	1.130				
1/1-12/31/98	1.872	0.763	1.235	1.081	1.114	1.148					
1/1-12/31/99	2.697	0.947	1.081	1.084	1.111						
1/1-12/31/00	1.049	1.178	1.177	0.978							
1/1-12/31/01	1.861	1.744	1.268								
1/1-12/31/02	2.277	1.501									
1/1-12/31/03	1.725										
Average	2.205	1.594	1.154	1.050	1.046	1.008	1.027	0.995	1.029	1.018	
Wtd Avg	1.936	1.365	1.134	1.045	1.038	1.002	1.025	0.993	1.020	1.014	
3 Yr Avg	1.954	1.474	1.175	1.048	1.135	1.082	1.051	0.999	1.039	1.018	
5 Yr Mid Avg	1.954	1.209	1.164	1.023	1.058	1.036	1.007	0.992	---	---	
Prior	2.000	1.320	1.100	1.040	1.020	1.005	1.000	1.000	1.000	1.000	1.000
Selected	1.970	1.340	1.120	1.045	1.030	1.010	1.005	1.000	1.000	1.000	1.000

C. INCURRED LOSS DEVELOPMENT FACTORS

12 to Months	24 to Months	36 to Months	48 to Months	60 to Months	72 to Months	84 to Months	96 to Months	108 to Months	120 to Months	132 to Months
3.229	1.639	1.223	1.092	1.045	1.015	1.005	1.000	1.000	1.000	1.000

Averages of the age-to-age factors are shown at the bottom of Section B. The average is the mean of all the age-to-age factors. The weighted average weights the factors for individual years by the magnitude of losses for that given year, thereby giving more weight to periods with higher losses. The weighted average is the sum of the losses from one age divided by the sum of the losses from the previous age for corresponding periods. The three-year average is the average of the three most recent factors. The five-year mid-average is the average of the five most recent age-to-age factors excluding the high and low. The prior factor is the factor selected in the 2/16/04 actuarial report. The averages are evaluated, and the factors selected as most representative of UCIP's expected loss development are shown. The historical and expected loss development patterns are graphically illustrated in Figure 3 by thick and thin lines, respectively.

Computation of the loss development factors is based on the selected age-to-age factors. For instance, the 12 to ultimate factor is calculated by multiplying the 12 to 24 month age-to-age factor by the 24 to ultimate loss development factor ($3.229 = 1.970 \times 1.639$).

Incurred general liability losses are limited to the specific retention in Section A of Table 2. In Section B, ultimate incurred losses are estimated by multiplying the incurred losses by the incurred loss development factors. For example, limited incurred general liability losses for the 1/1-12/31/04 period evaluated at \$510,486 on 12/31/04 are estimated to ultimately cost \$1,648,359 ($\$510,486 \times 3.229$). The loss development factor of 3.229 means that the losses are expected to ultimately cost 222.9% more than incurred losses evaluated on 12/31/04.

Figure 3

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

HISTORICAL AND EXPECTED DEVELOPMENT OF INCURRED LOSSES

(Unlimited Losses Including ALAE Gross of Recoveries)

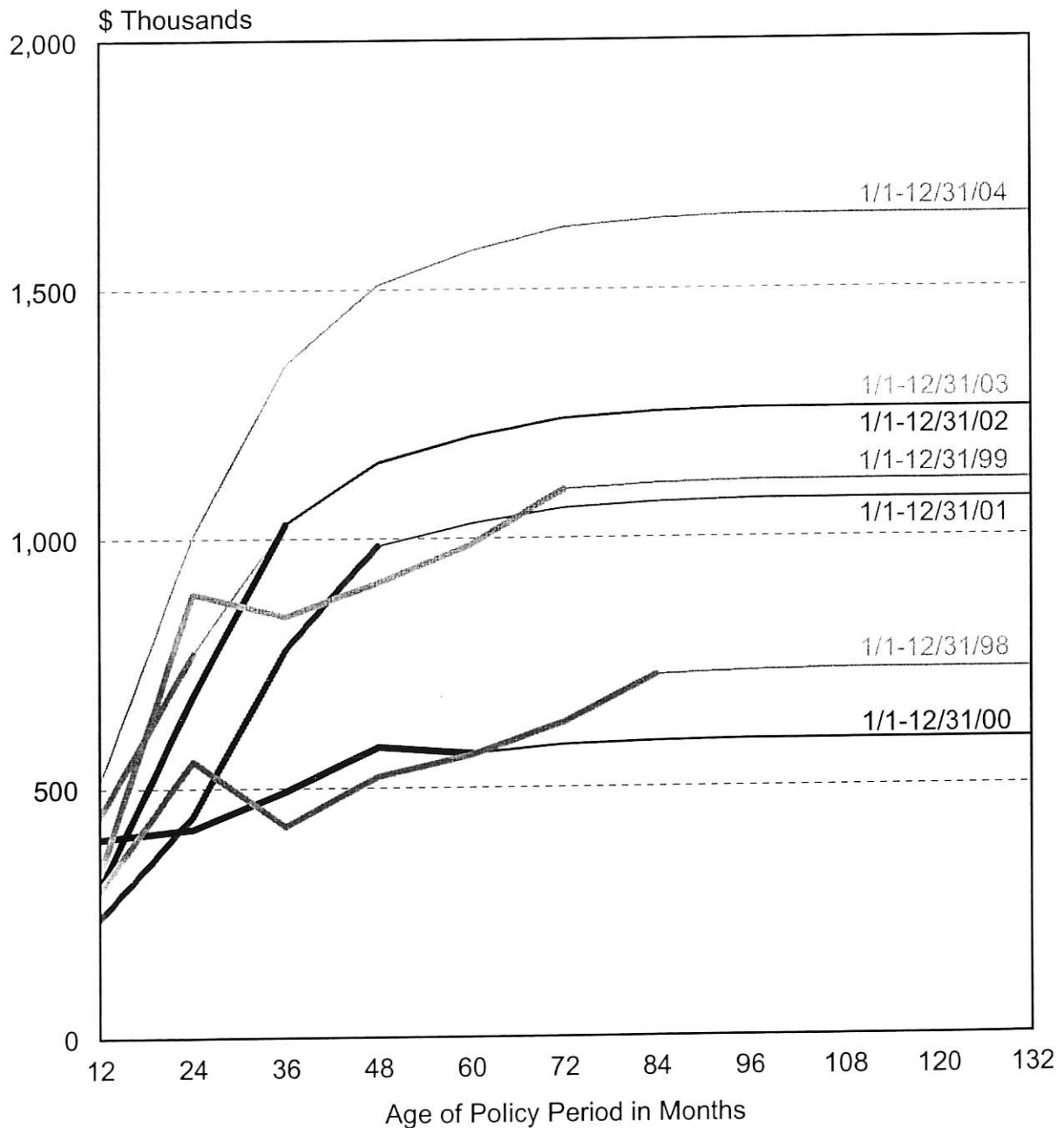


Table 2

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

ESTIMATED ULTIMATE INCURRED LOSSES
INCURRED LOSS DEVELOPMENT
(Gross of Recoveries)

A. LOSSES LIMITED TO SPECIFIC RETENTION

Policy Period	Unlimited Incurred Losses as of 12/31/04	Specific Retention	Number of Claims in Excess of Retention	Incurred in Excess of Retention	Limited Incurred Losses as of 12/31/04
1/1-12/31/92	\$ 850,274	\$ 250,000	0	\$ 0	\$ 850,274
1/1-12/31/93	1,156,396	250,000	0	0	1,156,396
1/1-12/31/94	635,463	250,000	0	0	635,463
1/1-12/31/95	621,686	250,000	0	0	621,686
1/1-12/31/96	631,582	250,000	0	0	631,582
1/1-12/31/97	817,800	250,000	1	120,000	697,800
1/1-12/31/98	722,655	250,000	0	0	722,655
1/1-12/31/99	1,096,883	250,000	2	57,166	1,039,717
1/1-12/31/00	568,014	250,000	0	0	568,014
1/1-12/31/01	985,018	250,000	1	120	984,898
1/1-12/31/02	1,028,309	250,000	0	0	1,028,309
1/1-12/31/03	768,721	250,000	0	0	768,721
1/1-12/31/04	510,486	250,000	0	0	510,486
Total	\$10,393,287		4	\$ 177,286	\$10,216,001

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Incurred Losses as of 12/31/04	Age of Policy Period in Months	Incurred Loss Development Factor	Estimated Ultimate Incurred Losses
1/1-12/31/92	\$ 850,274	156	1.000	\$ 850,274
1/1-12/31/93	1,156,396	144	1.000	1,156,396
1/1-12/31/94	635,463	132	1.000	635,463
1/1-12/31/95	621,686	120	1.000	621,686
1/1-12/31/96	631,582	108	1.000	631,582
1/1-12/31/97	697,800	96	1.000	697,800
1/1-12/31/98	722,655	84	1.005	726,268
1/1-12/31/99	1,039,717	72	1.015	1,055,313
1/1-12/31/00	568,014	60	1.045	593,575
1/1-12/31/01	984,898	48	1.092	1,075,509
1/1-12/31/02	1,028,309	36	1.223	1,257,622
1/1-12/31/03	768,721	24	1.639	1,259,934
1/1-12/31/04	510,486	12	3.229	1,648,359
Total	\$10,216,001			\$12,209,781

PAID LOSS DEVELOPMENT

The paid loss procedure employs an analysis similar to the previous method, but based on paid loss data. This estimation technique is not influenced by changes in the loss reserve estimates of the adjusters. However, larger development factors are required at a given age than the incurred method. This analysis is shown in Table 3, Figure 4, and Table 4.

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

The results of the methods are compared in Section A of Table 5, and the ultimate incurred losses are selected for each period. For 1/1-12/31/04, a judgmental selection is made. For all policy periods, the incurred method is selected since liability payments are typically not scheduled. The selection procedure is depicted in Figure 5. In Section B of Table 5 the estimated ultimate incurred losses net of recoveries are calculated.

ESTIMATED REQUIRED RESERVES

Losses are limited to the aggregate retention in Table 6. The amount excess of the aggregate is calculated in Table 28 based on all lines of coverage. As shown in Table 28, UCIP's aggregate for the 1/1-12/31/92 through 1/1-12/31/94 periods has been exceeded on a paid basis. The aggregate has been exceeded on an incurred basis for the 1/1-12/31/99 and 1/1-12/31/01 periods. The losses in excess of the aggregate are allocated entirely to general liability.

The required reserves are estimated in Table 7. The estimated ultimate incurred, incurred, and paid losses retained by UCIP are summarized in Section A. In Section B, the case reserves are shown as the difference between the incurred and paid losses. IBNR is estimated as the difference between the estimated ultimate incurred losses and incurred losses. The total required

Table 3

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

PAID LOSS DEVELOPMENT FACTORS

(Unlimited Losses Including ALAE Gross of Recoveries)

A. PAID LOSSES

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92	48,665	179,454	714,173	782,831	911,660	940,784	1,000,605	1,037,082	1,039,616	1,039,616	1,039,616
1/1-12/31/93	104,796	295,045	419,147	822,863	1,058,539	1,109,635	1,115,632	1,121,155	1,121,155	1,121,155	1,126,829
1/1-12/31/94	26,211	89,034	184,735	340,389	505,604	558,131	608,588	608,588	608,588	608,588	635,463
1/1-12/31/95	22,977	147,106	268,645	356,081	511,932	529,749	536,363	547,390	554,152	597,241	
1/1-12/31/96	97,241	208,722	505,733	574,535	596,663	601,952	601,952	601,952	631,582		
1/1-12/31/97	28,414	110,402	307,926	429,314	481,755	560,538	631,451	719,386			
1/1-12/31/98	35,720	165,806	243,338	480,910	512,217	551,994	634,587				
1/1-12/31/99	41,537	202,200	388,732	481,750	846,831	938,898					
1/1-12/31/00	69,313	146,638	258,333	494,040	522,360						
1/1-12/31/01	22,756	205,277	423,733	613,007							
1/1-12/31/02	86,850	444,019	729,086								
1/1-12/31/03	79,859	411,101									
1/1-12/31/04	45,060										

B. AGE-TO-AGE FACTORS

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to Ultimate
1/1-12/31/92	3.688	3.980	1.096	1.165	1.032	1.064	1.036	1.002	1.000	1.000	
1/1-12/31/93	2.815	1.421	1.963	1.286	1.048	1.005	1.005	1.000	1.000	1.005	
1/1-12/31/94	3.397	2.075	1.843	1.485	1.104	1.090	1.000	1.000	1.000	1.044	
1/1-12/31/95	6.402	1.826	1.325	1.438	1.035	1.012	1.021	1.012	1.078		
1/1-12/31/96	2.146	2.423	1.136	1.039	1.009	1.000	1.000	1.049			
1/1-12/31/97	3.885	2.789	1.394	1.122	1.164	1.127	1.139				
1/1-12/31/98	4.642	1.468	1.976	1.065	1.078	1.150					
1/1-12/31/99	4.868	1.923	1.239	1.758	1.109						
1/1-12/31/00	2.116	1.762	1.912	1.057							
1/1-12/31/01	9.021	2.064	1.447								
1/1-12/31/02	5.112	1.642									
1/1-12/31/03	5.148										
Average	4.437	2.125	1.533	1.268	1.072	1.064	1.034	1.013	1.020	1.016	
Wtd Avg	3.921	2.026	1.447	1.249	1.068	1.057	1.031	1.010	1.013	1.012	
3 Yr Avg	6.427	1.823	1.533	1.293	1.117	1.092	1.053	1.020	1.026	1.016	
5 Yr Mid Avg	5.043	1.776	1.584	1.081	1.074	1.076	1.009	1.005	---	---	
Prior	4.300	2.100	1.450	1.240	1.060	1.050	1.015	1.005	1.000	1.000	1.000
Selected	4.300	2.060	1.450	1.240	1.060	1.050	1.025	1.005	1.000	1.000	1.000

C. PAID LOSS DEVELOPMENT FACTORS

12 to Months	24 to Months	36 to Months	48 to Months	60 to Months	72 to Months	84 to Months	96 to Months	108 to Months	120 to Months	132 to Months
18.266	4.248	2.062	1.422	1.147	1.082	1.030	1.005	1.000	1.000	1.000

Figure 4

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

HISTORICAL AND EXPECTED DEVELOPMENT OF PAID LOSSES

(Unlimited Losses Including ALAE Gross of Recoveries)

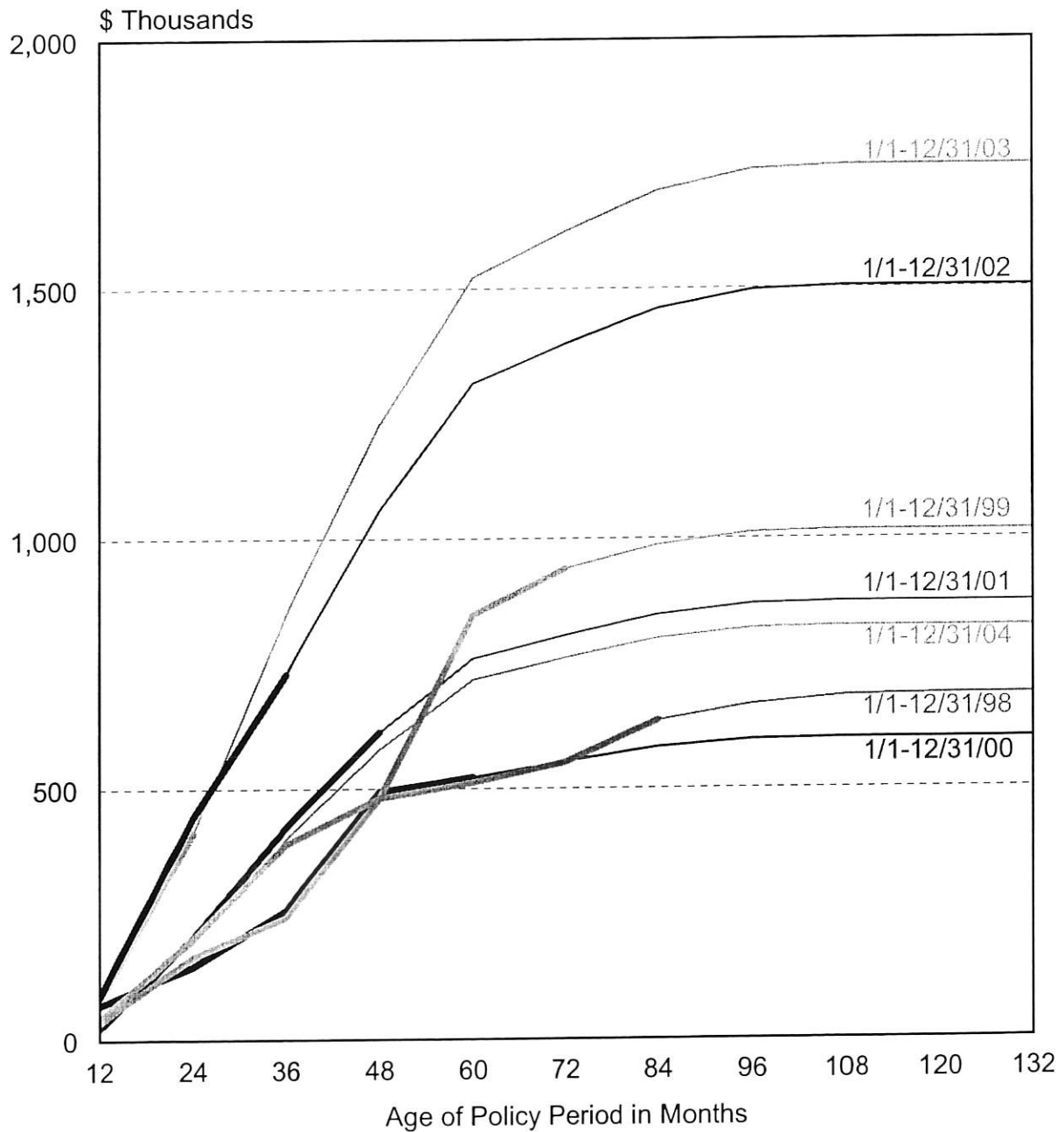


Table 4

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

ESTIMATED ULTIMATE INCURRED LOSSES

PAID LOSS DEVELOPMENT

(Gross of Recoveries)

A. LOSSES LIMITED TO SPECIFIC RETENTION

Policy Period	Unlimited Paid Losses as of 12/31/04	Specific Retention	Number of Claims in Excess of Retention	Paid in Excess of Retention	Limited Paid Losses as of 12/31/04
1/1-12/31/92	\$ 850,274	\$ 250,000	0	\$ 0	\$ 850,274
1/1-12/31/93	1,132,866	250,000	0	0	1,132,866
1/1-12/31/94	635,463	250,000	0	0	635,463
1/1-12/31/95	597,241	250,000	0	0	597,241
1/1-12/31/96	631,582	250,000	0	0	631,582
1/1-12/31/97	719,386	250,000	1	58,608	660,778
1/1-12/31/98	634,587	250,000	0	0	634,587
1/1-12/31/99	938,898	250,000	1	27,166	911,732
1/1-12/31/00	522,360	250,000	0	0	522,360
1/1-12/31/01	613,007	250,000	0	0	613,007
1/1-12/31/02	729,086	250,000	0	0	729,086
1/1-12/31/03	411,101	250,000	0	0	411,101
1/1-12/31/04	45,060	250,000	0	0	45,060
Total	\$ 8,460,911		2	\$ 85,774	\$ 8,375,137

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Paid Losses as of 12/31/04	Age of Policy Period in Months	Paid Loss Development Factor	Estimated Ultimate Incurred Losses
1/1-12/31/92	\$ 850,274	156	1.000	\$ 850,274
1/1-12/31/93	1,132,866	144	1.000	1,132,866
1/1-12/31/94	635,463	132	1.000	635,463
1/1-12/31/95	597,241	120	1.000	597,241
1/1-12/31/96	631,582	108	1.000	631,582
1/1-12/31/97	660,778	96	1.005	664,082
1/1-12/31/98	634,587	84	1.030	653,625
1/1-12/31/99	911,732	72	1.082	986,494
1/1-12/31/00	522,360	60	1.147	599,147
1/1-12/31/01	613,007	48	1.422	871,696
1/1-12/31/02	729,086	36	2.062	1,503,375
1/1-12/31/03	411,101	24	4.248	1,746,357
1/1-12/31/04	45,060	12	18.266	823,066
Total	\$ 8,375,137			\$11,695,268

Table 5

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Limited to Specific Retention)

A. SELECTED ULTIMATE LOSSES GROSS OF RECOVERIES

Policy Period	Incurred Loss Development Method	Paid Loss Development Method	Selected Estimated Ultimate Incurred Losses
1/1-12/31/92	\$ 850,274	\$ 850,274	\$ 850,274 #
1/1-12/31/93	1,156,396	1,132,866	1,156,396 #
1/1-12/31/94	635,463	635,463	635,463 #
1/1-12/31/95	621,686	597,241	621,686 #
1/1-12/31/96	631,582	631,582	631,582 #
1/1-12/31/97	697,800	664,082	697,800 #
1/1-12/31/98	726,268	653,625	726,268 #
1/1-12/31/99	1,055,313	986,494	1,055,313 #
1/1-12/31/00	593,575	599,147	593,575 #
1/1-12/31/01	1,075,509	871,696	1,075,509 #
1/1-12/31/02	1,257,622	1,503,375	1,257,622 #
1/1-12/31/03	1,259,934	1,746,357	1,259,934 #
1/1-12/31/04	1,648,359	823,066	1,400,000 ^
Total	\$12,209,781	\$11,695,268	\$11,961,422

B. SELECTED ULTIMATE LOSSES NET OF RECOVERIES

Policy Period	Selected Estimated Ultimate Gross of Recoveries	Recoveries	Selected Estimated Ultimate Net of Recoveries
1/1-12/31/92	\$ 850,274	\$ 39,859	\$ 810,415
1/1-12/31/93	1,156,396	0	1,156,396
1/1-12/31/94	635,463	5,680	629,783
1/1-12/31/95	621,686	1,026	620,660
1/1-12/31/96	631,582	3,261	628,321
1/1-12/31/97	697,800	1,875	695,925
1/1-12/31/98	726,268	7,909	718,359
1/1-12/31/99	1,055,313	30	1,055,283
1/1-12/31/00	593,575	1,863	591,712
1/1-12/31/01	1,075,509	0	1,075,509
1/1-12/31/02	1,257,622	45,000	1,212,622
1/1-12/31/03	1,259,934	0	1,259,934
1/1-12/31/04	1,400,000	0	1,400,000
Total	\$11,961,422	\$ 106,503	\$11,854,919

Selected the incurred method since liability payments are not typically scheduled and the paid method is leveraged by the development factor.

^ Selected judgmentally.

Figure 5

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

(Limited to Specific Retention)

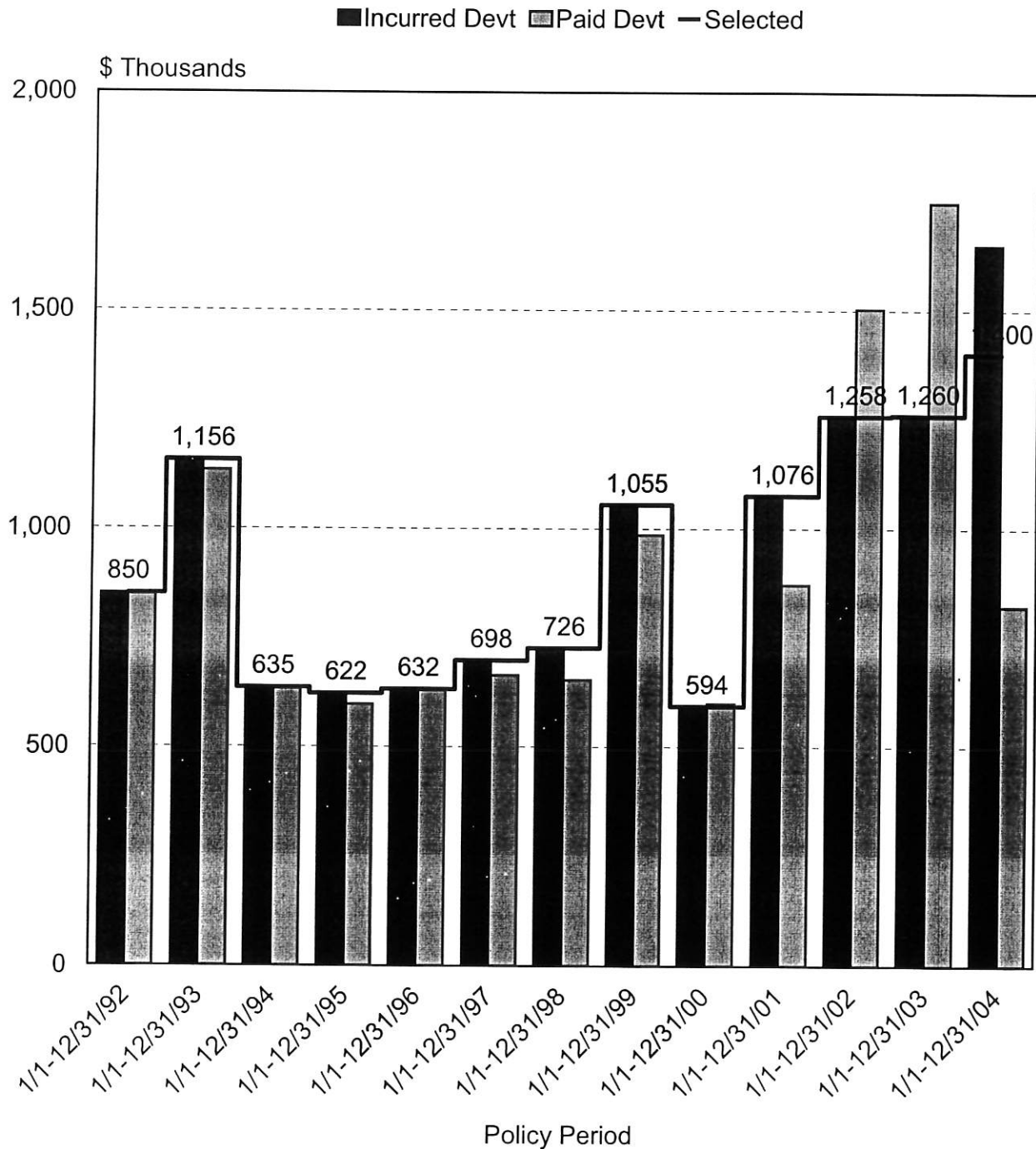


Table 6

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

LOSSES LIMITED TO AGGREGATE RETENTIONS

(Limited to Specific Retention)

(Net of Recoveries)

A. LOSS SUMMARY PRIOR TO AGGREGATE

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/04	Paid Losses as of 12/31/04
1/1-12/31/92	\$ 810,415	\$ 810,415	\$ 810,415
1/1-12/31/93	1,156,396	1,156,396	1,132,866
1/1-12/31/94	629,783	629,783	629,783
1/1-12/31/95	620,660	620,660	596,215
1/1-12/31/96	628,321	628,321	628,321
1/1-12/31/97	695,925	695,925	658,903
1/1-12/31/98	718,359	714,746	626,678
1/1-12/31/99	1,055,283	1,039,687	911,702
1/1-12/31/00	591,712	566,151	520,497
1/1-12/31/01	1,075,509	984,898	613,007
1/1-12/31/02	1,212,622	983,309	684,086
1/1-12/31/03	1,259,934	768,721	411,101
1/1-12/31/04	1,400,000	510,486	45,060
Total	\$11,854,919	\$10,109,498	\$8,268,634

B. LOSS SUMMARY REFLECTING THE AGGREGATE

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/04	Paid Losses as of 12/31/04
1/1-12/31/92	\$ 589,640 @	\$ 589,640 @	\$ 589,640 @
1/1-12/31/93	656,452 @	656,452 @	656,452 @
1/1-12/31/94	506,453 @	506,453 @	506,453 @
1/1-12/31/95	620,660	620,660	596,215
1/1-12/31/96	628,321	628,321	628,321
1/1-12/31/97	695,925	695,925	658,903
1/1-12/31/98	718,359	714,746	626,678
1/1-12/31/99	1,004,712 @	1,004,712 @	911,702
1/1-12/31/00	591,712	566,151	520,497
1/1-12/31/01	618,922 @	632,409 @	613,007
1/1-12/31/02	1,212,622	983,309	684,086
1/1-12/31/03	1,259,934	768,721	411,101
1/1-12/31/04	1,400,000	510,486	45,060
Total	\$10,503,712	\$8,877,985	\$7,448,115

@ Limited by the aggregate. Losses excess of the aggregate are allocated entirely to general liability. See Section B of Table 28.

Table 7

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

ESTIMATED REQUIRED RESERVES AS OF 12/31/04

(Limited to Specific & Aggregate Retention)
(Net of Recoveries)

A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/04	Paid Losses as of 12/31/04
1/1-12/31/92	\$ 589,640	\$ 589,640	\$ 589,640
1/1-12/31/93	656,452	656,452	656,452
1/1-12/31/94	506,453	506,453	506,453
1/1-12/31/95	620,660	620,660	596,215
1/1-12/31/96	628,321	628,321	628,321
1/1-12/31/97	695,925	695,925	658,903
1/1-12/31/98	718,359	714,746	626,678
1/1-12/31/99	1,004,712	1,004,712	911,702
1/1-12/31/00	591,712	566,151	520,497
1/1-12/31/01	618,922	632,409	613,007
1/1-12/31/02	1,212,622	983,309	684,086
1/1-12/31/03	1,259,934	768,721	411,101
1/1-12/31/04	1,400,000	510,486	45,060
Total	\$10,503,712	\$8,877,985	\$7,448,115

B. ESTIMATED REQUIRED RESERVES AS OF 12/31/04

Policy Period	Case Reserves as of 12/31/04	Estimated IBNR as of 12/31/04	Estimated Required Reserves as of 12/31/04
1/1-12/31/92	\$ 0	\$ 0	\$ 0
1/1-12/31/93	0	0	0
1/1-12/31/94	0	0	0
1/1-12/31/95	24,445	0	24,445
1/1-12/31/96	0	0	0
1/1-12/31/97	37,022	0	37,022
1/1-12/31/98	88,068	3,613	91,681
1/1-12/31/99	93,010	0	93,010
1/1-12/31/00	45,654	25,561	71,215
1/1-12/31/01	19,402	(13,487) *	5,915
1/1-12/31/02	299,223	229,313	528,536
1/1-12/31/03	357,620	491,213	848,833
1/1-12/31/04	465,426	889,514	1,354,940
Total	\$1,429,870	\$1,625,727	\$3,055,597

* Negative IBNR due to allocation of aggregate excess losses to general liability.

reserves as of 12/31/04 are then estimated by adding the case reserves and IBNR or by subtracting paid losses from the estimated ultimate incurred losses.

DISCOUNTED ESTIMATED REQUIRED RESERVES

Two types of paid to incurred ratios that check the reasonableness of the estimates are calculated in Table 8. Section A shows paid losses divided by incurred losses as of different ages. This analysis assists in detecting changes in reserving and settlement practices. If payment and reserving procedures are consistent between periods, the numbers within each column should be relatively consistent.

Section B compares paid losses with the estimates of ultimate incurred losses. These ratios serve two purposes. First, they test the reasonableness of the selected estimated ultimate incurred losses. If losses are paid at a consistent rate, there is a sufficient volume of losses, and there are no distorting effects from large claims, the ratios of paid losses to estimated ultimate incurred losses are expected to be relatively consistent within each column. The second purpose of Section B is to provide an estimate of the payout schedule to allocate the reserves to the period in which they are expected to be paid. The selected payout schedule is shown at the bottom of Section B.

In Section A of Table 9, the undiscounted reserves are assigned to the period in which they are expected to be paid based on the selected payout schedule. In Section B, the payments expected during the future periods are discounted at 3.0% per annum. The payments are assumed to be in the middle of each period. The investment income expected to be earned on the loss reserves is estimated in Section C.

Table 8

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

PAID TO INCURRED RATIOS

(Unlimited Losses Including ALAE Gross of Recoveries)

A. PAID / INCURRED LOSSES

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92	0.258	0.740	0.765	0.803	0.919	0.917	0.953	0.976	1.000	1.000	1.000
1/1-12/31/93	0.327	0.375	0.555	0.726	0.874	0.978	0.993	0.998	1.000	1.000	0.995
1/1-12/31/94	0.099	0.211	0.381	0.663	0.725	0.719	1.000	1.000	1.000	1.000	1.000
1/1-12/31/95	0.205	0.305	0.604	0.523	0.858	0.934	0.935	0.934	0.996	0.961	
1/1-12/31/96	0.294	0.506	0.691	0.878	0.925	1.000	1.000	1.000	1.000		
1/1-12/31/97	0.431	0.409	0.415	0.769	0.861	0.850	0.872	0.880			
1/1-12/31/98	0.121	0.299	0.575	0.920	0.907	0.877	0.878				
1/1-12/31/99	0.126	0.227	0.461	0.529	0.858	0.856					
1/1-12/31/00	0.174	0.350	0.524	0.850	0.920						
1/1-12/31/01	0.095	0.461	0.545	0.622							
1/1-12/31/02	0.289	0.648	0.709								
1/1-12/31/03	0.179	0.535									
1/1-12/31/04	0.088										
Average	0.207	0.422	0.566	0.728	0.872	0.891	0.947	0.965	0.999	0.990	0.998
3 Yr Average	0.185	0.548	0.593	0.667	0.895	0.861	0.917	0.938	0.999	0.987	0.998

B. PAID / ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	Estimated Ultimate Incurred Losses*
1/1-12/31/92	0.057	0.211	0.840	0.921	1.072	1.106	1.177	1.220	1.223	1.223	1.223	\$ 850,274
1/1-12/31/93	0.091	0.255	0.362	0.712	0.915	0.960	0.965	0.970	0.970	0.970	0.974	1,156,396
1/1-12/31/94	0.041	0.140	0.291	0.536	0.796	0.878	0.958	0.958	0.958	0.958	1.000	635,463
1/1-12/31/95	0.037	0.237	0.432	0.573	0.823	0.852	0.863	0.880	0.891	0.961		621,686
1/1-12/31/96	0.154	0.330	0.801	0.910	0.945	0.953	0.953	0.953	1.000			631,582
1/1-12/31/97	0.035	0.135	0.377	0.525	0.589	0.685	0.772	0.880				817,800
1/1-12/31/98	0.049	0.228	0.335	0.662	0.705	0.760	0.874					726,268
1/1-12/31/99	0.037	0.182	0.349	0.433	0.761	0.843						1,113,337
1/1-12/31/00	0.117	0.247	0.435	0.832	0.880							593,575
1/1-12/31/01	0.021	0.191	0.394	0.570								1,075,640
1/1-12/31/02	0.069	0.353	0.580									1,257,622
1/1-12/31/03	0.063	0.326										1,259,934
1/1-12/31/04	0.032											1,400,000
												\$12,139,577
Average	0.062	0.236	0.472	0.667	0.832	0.880	0.937	0.977	1.008	1.028	1.066	
3 Yr Average	0.055	0.290	0.470	0.612	0.782	0.763	0.866	0.904	0.950	0.963	1.066	
Prior	0.070	0.270	0.450	0.690	0.860	0.910	0.950	0.990	1.000	1.000	1.000	
Selected	0.060	0.290	0.470	0.670	0.860	0.910	0.950	0.990	1.000	1.000	1.000	

* Estimated in a manner similar to Section A of Table 5.

Table 9

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

DISCOUNTED ESTIMATED REQUIRED RESERVES AS OF 12/31/04
(Limited to Specific and Aggregate Retentions)

A. ESTIMATED AMOUNT PAID IN INTERVAL

Policy Period	1/1/05-12/31/05	1/1/06-12/31/06	1/1/07-12/31/07	1/1/08-12/31/08	1/1/09-12/31/09	1/1/10-12/31/10	1/1/11-12/31/11	1/1/12-12/31/12	1/1/13-12/31/13	1/1/14-12/31/14	Total
6/1-12/31/93	\$ 0										\$ 0
1/1-12/31/94	0										0
1/1-12/31/95	0										0
1/1-12/31/96	24,445										24,445
1/1-12/31/97	0										0
1/1-12/31/98	37,022										37,022
1/1-12/31/99	73,345	18,336									91,681
1/1-12/31/00	63,814	29,196	0								93,010
1/1-12/31/01	25,434	20,347	20,347	5,087							71,215
1/1-12/31/02	5,915	0	0	0	0						5,915
1/1-12/31/03	199,448	189,475	49,862	39,889	39,890	9,972					528,536
1/1-12/31/04	215,197	239,108	227,152	59,777	47,822	47,822	11,955				848,833
1/1-12/31/04	331,528	259,456	288,286	273,870	72,072	57,657	57,657	14,414	0	0	1,354,940
Total	\$ 976,148	\$ 755,918	\$ 585,647	\$ 378,623	\$ 159,784	\$ 115,451	\$ 69,612	\$ 14,414	\$ 0	\$ 0	\$3,055,597

B. ESTIMATED AMOUNT PAID DISCOUNTED AT 3.0% PER ANNUM

Policy Period	1/1/05-12/31/05	1/1/06-12/31/06	1/1/07-12/31/07	1/1/08-12/31/08	1/1/09-12/31/09	1/1/10-12/31/10	1/1/11-12/31/11	1/1/12-12/31/11	1/1/12-12/31/11	1/1/12-12/31/11	Total
6/1-12/31/93	\$ 0										\$ 0
1/1-12/31/94	0										0
1/1-12/31/95	0										0
1/1-12/31/96	24,086										24,086
1/1-12/31/97	0										0
1/1-12/31/98	36,479										36,479
1/1-12/31/99	72,269	17,541									89,810
1/1-12/31/00	62,878	27,930	0								90,808
1/1-12/31/01	25,061	19,465	18,898	4,587							68,011
1/1-12/31/02	5,828	0	0	0	0						5,828
1/1-12/31/03	196,522	181,258	46,310	35,969	34,922	8,476					503,457
1/1-12/31/04	212,040	228,738	210,971	53,902	41,866	40,646	9,865				798,028
1/1-12/31/04	326,664	248,203	267,751	246,953	63,096	49,006	47,578	11,548	0	0	1,260,799
Total	\$ 961,827	\$ 723,135	\$ 543,930	\$ 341,411	\$ 139,884	\$ 98,128	\$ 57,443	\$ 11,548	\$ 0	\$ 0	\$2,877,306

C. ESTIMATED INVESTMENT INCOME EARNED ON LOSS RESERVES

Policy Period	1/1/05-12/31/05	1/1/06-12/31/06	1/1/07-12/31/07	1/1/08-12/31/08	1/1/09-12/31/09	1/1/10-12/31/10	1/1/11-12/31/11	1/1/12-12/31/11	1/1/12-12/31/11	1/1/12-12/31/11	Total
Total	\$ 14,321	\$ 32,783	\$ 41,717	\$ 37,212	\$ 19,900	\$ 17,323	\$ 12,169	\$ 2,866	\$ 0	\$ 0	\$ 178,291

RESERVE ANALYSIS – AUTO LIABILITY

The reserve analysis for auto liability is shown in Tables 10 through 18 and Figures 6 through 8.

The methodology follows the analysis for general liability.

Table 10

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

INCURRED LOSS DEVELOPMENT FACTORS
(Unlimited Losses Including ALAE Gross of Recoveries)

A. INCURRED LOSSES

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92	264,585	163,249	163,636	163,635	165,726	171,949	171,949	171,949	171,949	171,949	171,949
1/1-12/31/93	114,707	273,316	257,221	272,221	275,582	279,721	277,204	277,204	277,204	277,204	277,204
1/1-12/31/94	240,234	434,297	411,740	423,438	423,438	422,938	422,938	422,938	422,938	422,938	423,180
1/1-12/31/95	156,126	181,675	155,981	172,462	161,715	161,715	161,715	161,715	161,715	159,397	
1/1-12/31/96	42,542	80,474	61,872	66,090	68,590	63,078	63,078	63,078	63,078		
1/1-12/31/97	215,234	257,969	271,527	270,527	231,458	231,439	231,439	234,407			
1/1-12/31/98	236,630	280,261	286,760	313,799	295,613	295,613	265,775				
1/1-12/31/99	145,255	129,279	129,279	129,279	129,279	144,279					
1/1-12/31/00	146,916	143,948	143,948	156,236	383,590						
1/1-12/31/01	434,785	643,396	687,190	756,896							
1/1-12/31/02	132,354	166,213	179,812								
1/1-12/31/03	412,656	475,345									
1/1-12/31/04	829,904										

B. AGE-TO-AGE FACTORS

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to Ultimate
1/1-12/31/92	0.617	1.002	1.000	1.013	1.038	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/93	2.383	0.941	1.058	1.012	1.015	0.991	1.000	1.000	1.000	1.000	
1/1-12/31/94	1.808	0.948	1.028	1.000	0.999	1.000	1.000	1.000	1.000	1.001	
1/1-12/31/95	1.164	0.859	1.106	0.938	1.000	1.000	1.000	1.000	0.986		
1/1-12/31/96	1.892	0.769	1.068	1.038	0.920	1.000	1.000	1.000			
1/1-12/31/97	1.199	1.053	0.996	0.856	1.000	1.000	1.013				
1/1-12/31/98	1.184	1.023	1.094	0.942	1.000	0.899					
1/1-12/31/99	0.890	1.000	1.000	1.000	1.116						
1/1-12/31/00	0.980	1.000	1.085	2.455							
1/1-12/31/01	1.480	1.068	1.101								
1/1-12/31/02	1.256	1.082									
1/1-12/31/03	1.152										
Average	1.334	0.977	1.054	1.139	1.011	0.984	1.002	1.000	0.997	1.000	
Wtd Avg	1.270	0.998	1.060	1.085	1.011	0.980	1.002	1.000	0.998	1.000	
3 Yr Avg	1.296	1.050	1.062	1.466	1.039	0.966	1.004	1.000	0.995	1.000	
5 Yr Mid Avg	1.129	1.030	1.060	0.993	1.000	1.000	1.000	1.000	---	---	
Prior	1.220	1.020	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.220	1.050	1.035	1.020	1.000	1.000	1.000	1.000	1.000	1.000	1.000

C. INCURRED LOSS DEVELOPMENT FACTORS

12 to Months	24 to Months	36 to Months	48 to Months	60 to Months	72 to Months	84 to Months	96 to Months	108 to Months	120 to Months	132 to Months
1.353	1.109	1.056	1.020	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Figure 6

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

HISTORICAL AND EXPECTED DEVELOPMENT OF INCURRED LOSSES

(Unlimited Losses Including ALAE Gross of Recoveries)

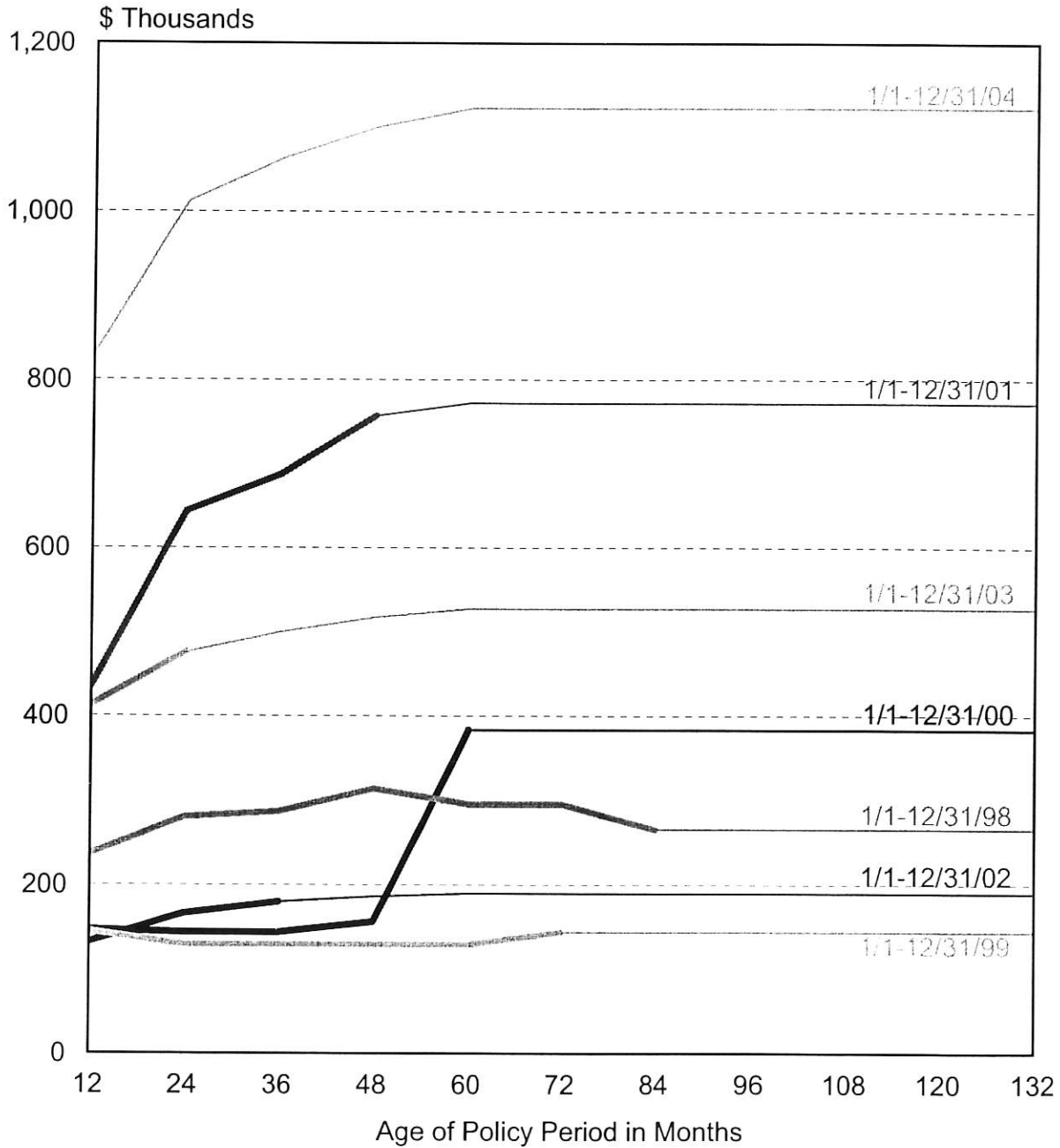


Table 11

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

ESTIMATED ULTIMATE INCURRED LOSSES
INCURRED LOSS DEVELOPMENT
(Gross of Recoveries)

A. LOSSES LIMITED TO SPECIFIC RETENTION

Policy Period	Unlimited Incurred Losses as of 12/31/04	Specific Retention	Number of Claims in Excess of Retention	Incurred in Excess of Retention	Limited Incurred Losses as of 12/31/04
1/1-12/31/92	\$ 168,156	\$ 250,000	0	\$ 0	\$ 168,156
1/1-12/31/93	277,204	250,000	0	0	277,204
1/1-12/31/94	423,180	250,000	0	0	423,180
1/1-12/31/95	159,397	250,000	0	0	159,397
1/1-12/31/96	63,078	250,000	0	0	63,078
1/1-12/31/97	234,407	250,000	0	0	234,407
1/1-12/31/98	265,775	250,000	0	0	265,775
1/1-12/31/99	144,279	250,000	0	0	144,279
1/1-12/31/00	383,590	250,000	1	52,642	330,948
1/1-12/31/01	756,896	250,000	1	82,534	674,362
1/1-12/31/02	179,812	250,000	0	0	179,812
1/1-12/31/03	475,345	250,000	0	0	475,345
1/1-12/31/04	829,904	250,000	1	230,552	599,352
Total	\$ 4,361,023		3	\$ 365,728	\$ 3,995,295

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Incurred Losses as of 12/31/04	Age of Policy Period in Months	Incurred Loss Development Factor	Estimated Ultimate Incurred Losses
1/1-12/31/92	\$ 168,156	156	1.000	\$ 168,156
1/1-12/31/93	277,204	144	1.000	277,204
1/1-12/31/94	423,180	132	1.000	423,180
1/1-12/31/95	159,397	120	1.000	159,397
1/1-12/31/96	63,078	108	1.000	63,078
1/1-12/31/97	234,407	96	1.000	234,407
1/1-12/31/98	265,775	84	1.000	265,775
1/1-12/31/99	144,279	72	1.000	144,279
1/1-12/31/00	330,948	60	1.000	330,948
1/1-12/31/01	674,362	48	1.020	687,849
1/1-12/31/02	179,812	36	1.056	189,881
1/1-12/31/03	475,345	24	1.109	527,158
1/1-12/31/04	599,352	12	1.353	722,673 [^]
Total	\$ 3,995,295			\$ 4,193,985

[^] Did not develop the excess claim due to its large size relative to total losses.

Table 12

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

PAID LOSS DEVELOPMENT FACTORS

(Unlimited Losses Including ALAE Gross of Recoveries)

A. PAID LOSSES

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92	199,461	142,572	163,636	163,635	165,726	171,949	171,949	171,949	171,949	171,949	171,949
1/1-12/31/93	30,205	37,288	257,221	257,221	260,582	263,985	277,204	277,204	277,204	277,204	277,204
1/1-12/31/94	51,416	164,136	335,510	422,938	422,938	422,938	422,938	422,938	422,938	422,938	423,180
1/1-12/31/95	101,673	155,933	155,981	159,173	161,715	161,715	161,715	161,715	161,715	159,397	
1/1-12/31/96	29,664	36,115	58,810	59,712	60,211	63,078	63,078	63,078	63,078		
1/1-12/31/97	161,460	176,833	223,716	227,538	231,439	231,439	231,439	234,407			
1/1-12/31/98	122,579	165,046	178,821	226,730	295,613	295,613	265,775				
1/1-12/31/99	114,407	129,279	129,279	129,279	129,279	129,279					
1/1-12/31/00	71,797	87,440	89,030	97,801	383,590						
1/1-12/31/01	119,016	292,015	618,557	649,675							
1/1-12/31/02	94,710	140,562	169,373								
1/1-12/31/03	246,141	440,345									
1/1-12/31/04	635,417										

B. AGE-TO-AGE FACTORS

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to Ultimate
1/1-12/31/92	0.715	1.148	1.000	1.013	1.038	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/93	1.234	6.898	1.000	1.013	1.013	1.050	1.000	1.000	1.000	1.000	
1/1-12/31/94	3.192	2.044	1.261	1.000	1.000	1.000	1.000	1.000	1.000	1.001	
1/1-12/31/95	1.534	1.000	1.020	1.016	1.000	1.000	1.000	1.000	0.986		
1/1-12/31/96	1.217	1.628	1.015	1.008	1.048	1.000	1.000	1.000			
1/1-12/31/97	1.095	1.265	1.017	1.017	1.000	1.000	1.013				
1/1-12/31/98	1.346	1.083	1.268	1.304	1.000	0.899					
1/1-12/31/99	1.130	1.000	1.000	1.000	1.000						
1/1-12/31/00	1.218	1.018	1.099	3.922							
1/1-12/31/01	2.454	2.118	1.050								
1/1-12/31/02	1.484	1.205									
1/1-12/31/03	1.789										
Average	1.534	1.855	1.073	1.366	1.012	0.993	1.002	1.000	0.997	1.000	
Wtd Avg	1.466	1.558	1.083	1.210	1.007	0.990	1.002	1.000	0.998	1.000	
3 Yr Avg	1.909	1.447	1.050	2.075	1.000	0.966	1.004	1.000	0.995	1.000	
5 Yr Mid Avg	1.497	1.102	1.055	1.110	1.000	1.000	1.000	1.000	---	---	
Prior	1.400	1.250	1.100	1.050	1.010	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.500	1.250	1.080	1.050	1.010	1.000	1.000	1.000	1.000	1.000	1.000

C. PAID LOSS DEVELOPMENT FACTORS

12 to Months	24 to Months	36 to Months	48 to Months	60 to Months	72 to Months	84 to Months	96 to Months	108 to Months	120 to Months	132 to Months
2.150	1.433	1.146	1.061	1.010	1.000	1.000	1.000	1.000	1.000	1.000

Figure 7

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

HISTORICAL AND EXPECTED DEVELOPMENT OF PAID LOSSES

(Unlimited Losses Including ALAE Gross of Recoveries)

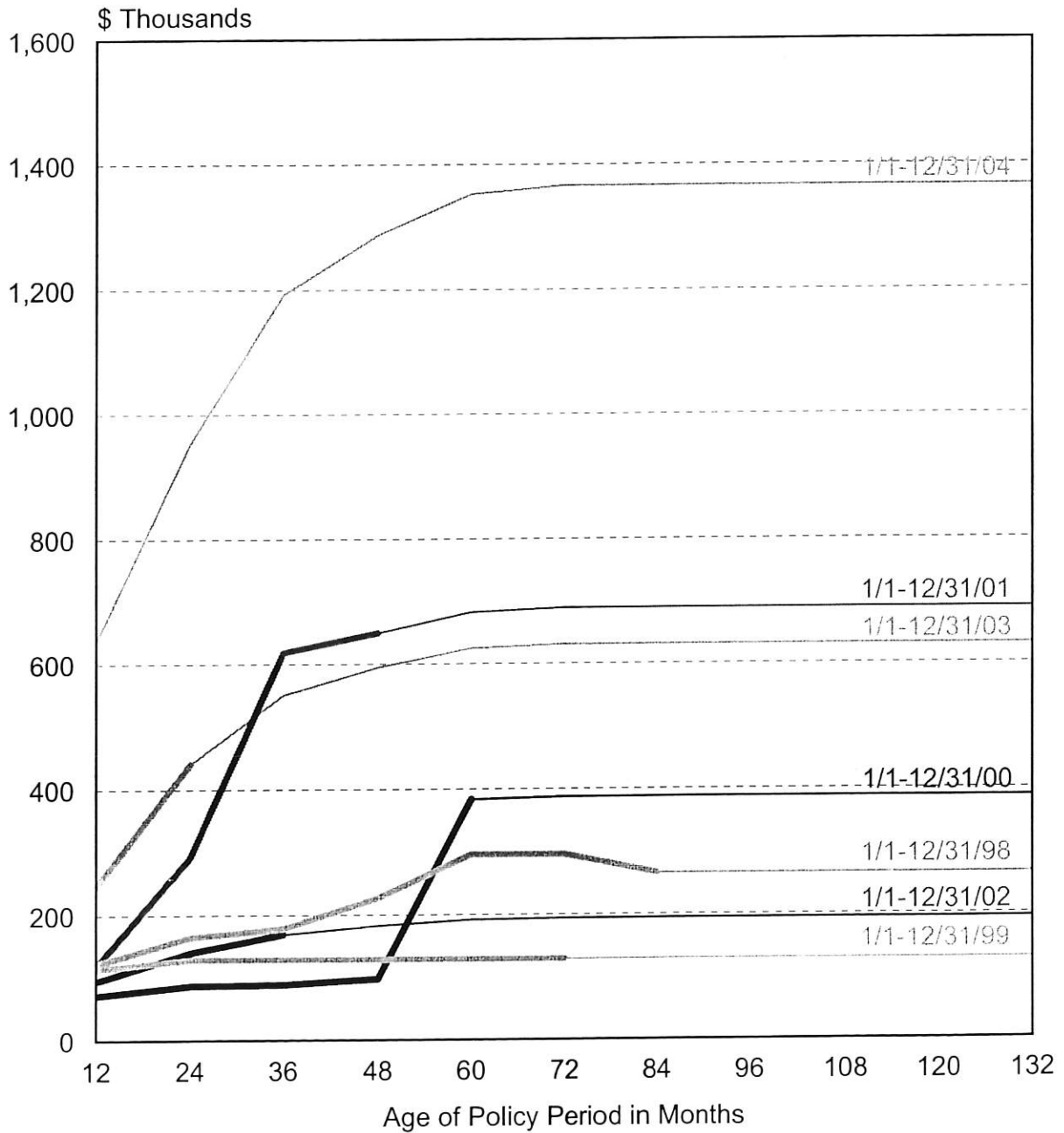


Table 13

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

ESTIMATED ULTIMATE INCURRED LOSSES
PAID LOSS DEVELOPMENT

(Gross of Recoveries)

A. LOSSES LIMITED TO SPECIFIC RETENTION

Policy Period	Unlimited Paid Losses as of 12/31/04	Specific Retention	Number of Claims in Excess of Retention	Paid in Excess of Retention	Limited Paid Losses as of 12/31/04
1/1-12/31/92	\$ 168,156	\$ 250,000	0	\$ 0	\$ 168,156
1/1-12/31/93	277,204	250,000	0	0	277,204
1/1-12/31/94	423,180	250,000	0	0	423,180
1/1-12/31/95	159,397	250,000	0	0	159,397
1/1-12/31/96	63,078	250,000	0	0	63,078
1/1-12/31/97	234,407	250,000	0	0	234,407
1/1-12/31/98	265,775	250,000	0	0	265,775
1/1-12/31/99	129,279	250,000	0	0	129,279
1/1-12/31/00	383,590	250,000	1	52,642	330,948
1/1-12/31/01	649,675	250,000	1	82,534	567,141
1/1-12/31/02	169,373	250,000	0	0	169,373
1/1-12/31/03	440,345	250,000	0	0	440,345
1/1-12/31/04	635,417	250,000	1	230,552	404,865
Total	\$ 3,998,876		3	\$ 365,728	\$ 3,633,148

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Paid Losses as of 12/31/04	Age of Policy Period in Months	Paid Loss Development Factor	Estimated Ultimate Incurred Losses
1/1-12/31/92	\$ 168,156	156	1.000	\$ 168,156
1/1-12/31/93	277,204	144	1.000	277,204
1/1-12/31/94	423,180	132	1.000	423,180
1/1-12/31/95	159,397	120	1.000	159,397
1/1-12/31/96	63,078	108	1.000	63,078
1/1-12/31/97	234,407	96	1.000	234,407
1/1-12/31/98	265,775	84	1.000	265,775
1/1-12/31/99	129,279	72	1.000	129,279
1/1-12/31/00	330,948	60	1.000*	330,948
1/1-12/31/01	567,141	48	1.061	601,737
1/1-12/31/02	169,373	36	1.146	194,101
1/1-12/31/03	440,345	24	1.433	631,014
1/1-12/31/04	404,865	12	2.150	582,960 ^
Total	\$ 3,633,148			\$ 4,061,236

* Selected a factor of 1.0 since all reported claims are closed, and it is unlikely that additional claims will be reported.

^ Did not develop the excess claim due to its large size relative to total losses.

Table 14

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Limited to Specific Retention)

A. SELECTED ULTIMATE LOSSES GROSS OF RECOVERIES

Policy Period	Incurred Loss Development Method	Paid Loss Development Method	Selected Estimated Ultimate Incurred Losses
1/1-12/31/92	\$ 168,156	\$ 168,156	\$ 168,156 *
1/1-12/31/93	277,204	277,204	277,204 *
1/1-12/31/94	423,180	423,180	423,180 *
1/1-12/31/95	159,397	159,397	159,397 *
1/1-12/31/96	63,078	63,078	63,078 *
1/1-12/31/97	234,407	234,407	234,407 *
1/1-12/31/98	265,775	265,775	265,775 *
1/1-12/31/99	144,279	129,279	144,279 #
1/1-12/31/00	330,948	330,948	330,948 *
1/1-12/31/01	687,849	601,737	687,849 #
1/1-12/31/02	189,881	194,101	191,991 *
1/1-12/31/03	527,158	631,014	579,086 *
1/1-12/31/04	722,673	582,960	722,673 #
Total	\$4,193,985	\$4,061,236	\$4,248,023

B. SELECTED ULTIMATE LOSSES NET OF RECOVERIES

Policy Period	Selected Estimated Ultimate Gross of Recoveries	Recoveries	Selected Estimated Ultimate Net of Recoveries
1/1-12/31/92	\$ 168,156	\$ 0	\$ 168,156
1/1-12/31/93	277,204	506	276,698
1/1-12/31/94	423,180	0	423,180
1/1-12/31/95	159,397	6,359	153,038
1/1-12/31/96	63,078	0	63,078
1/1-12/31/97	234,407	88	234,319
1/1-12/31/98	265,775	2,684	263,091
1/1-12/31/99	144,279	1,502	142,777
1/1-12/31/00	330,948	311	330,637
1/1-12/31/01	687,849	777	687,072
1/1-12/31/02	191,991	333	191,658
1/1-12/31/03	579,086	2,021	577,065
1/1-12/31/04	722,673	391	722,282
Total	\$4,248,023	\$ 14,972	\$4,233,051

* Selected the average.

Selected the incurred method since the paid estimate is less than incurred losses.

Figure 8

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

(Limited to Specific Retention)

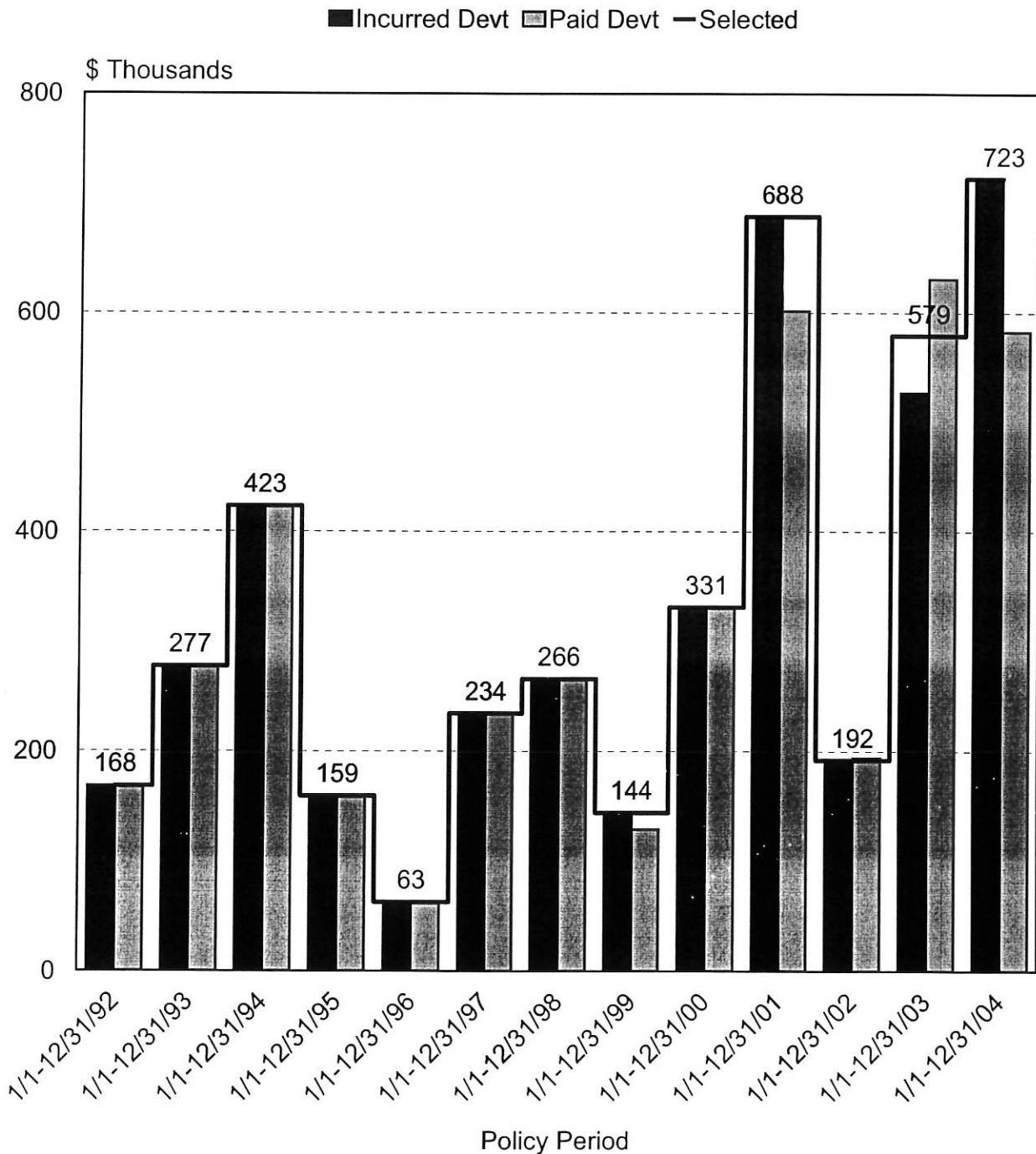


Table 15

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

LOSSES LIMITED TO AGGREGATE RETENTIONS

(Limited to Specific Retention)

(Net of Recoveries)

A. LOSS SUMMARY PRIOR TO AGGREGATE

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/04	Paid Losses as of 12/31/04
1/1-12/31/92	\$ 168,156	\$ 168,156	\$ 168,156
1/1-12/31/93	276,698	276,698	276,698
1/1-12/31/94	423,180	423,180	423,180
1/1-12/31/95	153,038	153,038	153,038
1/1-12/31/96	63,078	63,078	63,078
1/1-12/31/97	234,319	234,319	234,319
1/1-12/31/98	263,091	263,091	263,091
1/1-12/31/99	142,777	142,777	127,777
1/1-12/31/00	330,637	330,637	330,637
1/1-12/31/01	687,072	673,585	566,364
1/1-12/31/02	191,658	179,479	169,040
1/1-12/31/03	577,065	473,324	438,324
1/1-12/31/04	<u>722,282</u>	<u>598,961</u>	<u>404,474</u>
Total	\$4,233,051	\$3,980,323	\$3,618,176

B. LOSS SUMMARY REFLECTING THE AGGREGATE@

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/04	Paid Losses as of 12/31/04
1/1-12/31/92	\$ 168,156	\$ 168,156	\$ 168,156
1/1-12/31/93	276,698	276,698	276,698
1/1-12/31/94	423,180	423,180	423,180
1/1-12/31/95	153,038	153,038	153,038
1/1-12/31/96	63,078	63,078	63,078
1/1-12/31/97	234,319	234,319	234,319
1/1-12/31/98	263,091	263,091	263,091
1/1-12/31/99	142,777	142,777	127,777
1/1-12/31/00	330,637	330,637	330,637
1/1-12/31/01	687,072	673,585	566,364
1/1-12/31/02	191,658	179,479	169,040
1/1-12/31/03	577,065	473,324	438,324
1/1-12/31/04	<u>722,282</u>	<u>598,961</u>	<u>404,474</u>
Total	\$4,233,051	\$3,980,323	\$3,618,176

@ Losses excess of the aggregate are allocated entirely to general liability.

Table 16

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

ESTIMATED REQUIRED RESERVES AS OF 12/31/04

(Limited to Specific Retention)
(Net of Recoveries)

A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/04	Paid Losses as of 12/31/04
1/1-12/31/92	\$ 168,156	\$ 168,156	\$ 168,156
1/1-12/31/93	276,698	276,698	276,698
1/1-12/31/94	423,180	423,180	423,180
1/1-12/31/95	153,038	153,038	153,038
1/1-12/31/96	63,078	63,078	63,078
1/1-12/31/97	234,319	234,319	234,319
1/1-12/31/98	263,091	263,091	263,091
1/1-12/31/99	142,777	142,777	127,777
1/1-12/31/00	330,637	330,637	330,637
1/1-12/31/01	687,072	673,585	566,364
1/1-12/31/02	191,658	179,479	169,040
1/1-12/31/03	577,065	473,324	438,324
1/1-12/31/04	<u>722,282</u>	<u>598,961</u>	<u>404,474</u>
Total	\$4,233,051	\$3,980,323	\$3,618,176

B. ESTIMATED REQUIRED RESERVES AS OF 12/31/04

Policy Period	Case Reserves as of 12/31/04	Estimated IBNR as of 12/31/04	Estimated Required Reserves as of 12/31/04
1/1-12/31/92	\$ 0	\$ 0	\$ 0
1/1-12/31/93	0	0	0
1/1-12/31/94	0	0	0
1/1-12/31/95	0	0	0
1/1-12/31/96	0	0	0
1/1-12/31/97	0	0	0
1/1-12/31/98	0	0	0
1/1-12/31/99	15,000	0	15,000
1/1-12/31/00	0	0	0
1/1-12/31/01	107,221	13,487	120,708
1/1-12/31/02	10,439	12,179	22,618
1/1-12/31/03	35,000	103,741	138,741
1/1-12/31/04	<u>194,487</u>	<u>123,321</u>	<u>317,808</u>
Total	\$ 362,147	\$ 252,728	\$ 614,875

Table 17

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

PAID TO INCURRED RATIOS

(Unlimited Losses Including ALAE Gross of Recoveries)

A. PAID / INCURRED LOSSES

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92	0.754	0.873	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1/1-12/31/93	0.263	0.136	1.000	0.945	0.946	0.944	1.000	1.000	1.000	1.000	1.000
1/1-12/31/94	0.214	0.378	0.815	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000
1/1-12/31/95	0.651	0.858	1.000	0.923	1.000	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/96	0.697	0.449	0.951	0.903	0.878	1.000	1.000	1.000	1.000		
1/1-12/31/97	0.750	0.685	0.824	0.841	1.000	1.000	1.000	1.000			
1/1-12/31/98	0.518	0.589	0.624	0.723	1.000	1.000	1.000				
1/1-12/31/99	0.788	1.000	1.000	1.000	1.000	0.896					
1/1-12/31/00	0.489	0.607	0.618	0.626	1.000						
1/1-12/31/01	0.274	0.454	0.900	0.858							
1/1-12/31/02	0.716	0.846	0.942								
1/1-12/31/03	0.596	0.926									
1/1-12/31/04	0.766										
Average	0.575	0.650	0.879	0.882	0.980	0.980	1.000	1.000	1.000	1.000	1.000
3 Yr Average	0.693	0.742	0.820	0.828	1.000	0.965	1.000	1.000	1.000	1.000	1.000

B. PAID / ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	Estimated Ultimate Incurred Losses*
1/1-12/31/92	1.186	0.848	0.973	0.973	0.986	1.023	1.023	1.023	1.023	1.023	1.023	\$ 168,156
1/1-12/31/93	0.109	0.135	0.928	0.928	0.940	0.952	1.000	1.000	1.000	1.000	1.000	277,204
1/1-12/31/94	0.121	0.388	0.793	0.999	0.999	0.999	0.999	0.999	0.999	0.999	1.000	423,180
1/1-12/31/95	0.638	0.978	0.979	0.999	1.015	1.015	1.015	1.015	1.015	1.000		159,397
1/1-12/31/96	0.470	0.573	0.932	0.947	0.955	1.000	1.000	1.000	1.000			63,078
1/1-12/31/97	0.689	0.754	0.954	0.971	0.987	0.987	0.987	1.000				234,407
1/1-12/31/98	0.461	0.621	0.673	0.853	1.112	1.112	1.000					265,775
1/1-12/31/99	0.793	0.896	0.896	0.896	0.896	0.896						144,279
1/1-12/31/00	0.187	0.228	0.232	0.255	1.000							383,590
1/1-12/31/01	0.154	0.378	0.801	0.842								772,034
1/1-12/31/02	0.493	0.732	0.882									191,991
1/1-12/31/03	0.425	0.760										579,086
1/1-12/31/04	0.635											1,000,663
Average	0.489	0.608	0.822	0.866	0.988	0.998	1.003	1.006	1.007	1.006	1.008	\$ 4,662,840
3 Yr Average	0.518	0.623	0.638	0.664	1.003	0.998	0.996	1.005	1.005	1.000	1.008	
Prior	0.480	0.670	0.840	0.950	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	0.490	0.700	0.850	0.950	1.000	1.000	1.000	1.000	1.000	1.000	1.000	

* Estimated in a manner similar to Section A of Table 14.

Table 18

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

DISCOUNTED ESTIMATED REQUIRED RESERVES AS OF 12/31/04
(Limited to Specific and Aggregate Retentions)

A. ESTIMATED AMOUNT PAID IN INTERVAL

Policy Period	1/1/05-12/31/05	1/1/06-12/31/06	1/1/07-12/31/07	1/1/08-12/31/08	1/1/09-12/31/09	1/1/10-12/31/10	1/1/11-12/31/11	1/1/12-12/31/12	1/1/13-12/31/13	1/1/14-12/31/14	Total
6/1-12/31/93	\$ 0										\$ 0
1/1-12/31/94	0										0
1/1-12/31/95	0										0
1/1-12/31/96	0										0
1/1-12/31/97	0										0
1/1-12/31/98	0										0
1/1-12/31/99	0										0
1/1-12/31/00	15,000										15,000
1/1-12/31/01	0										0
1/1-12/31/02	120,708										120,708
1/1-12/31/03	15,079	7,539									22,618
1/1-12/31/04	69,371	46,247	23,123								138,741
1/1-12/31/04	130,862	93,473	62,315	31,158	0	0	0	0	0	0	317,808
Total	\$ 351,020	\$ 147,259	\$ 85,438	\$ 31,158	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 614,875

B. ESTIMATED AMOUNT PAID DISCOUNTED AT 3.0% PER ANNUM

Policy Period	1/1/05-12/31/05	1/1/06-12/31/06	1/1/07-12/31/07	1/1/08-12/31/08	1/1/09-12/31/09	1/1/10-12/31/10	1/1/11-12/31/11	1/1/12-12/31/11	1/1/12-12/31/11	1/1/12-12/31/11	Total
6/1-12/31/93	\$ 0										\$ 0
1/1-12/31/94	0										0
1/1-12/31/95	0										0
1/1-12/31/96	0										0
1/1-12/31/97	0										0
1/1-12/31/98	0										0
1/1-12/31/99	0										0
1/1-12/31/00	14,780										14,780
1/1-12/31/01	0										0
1/1-12/31/02	118,937										118,937
1/1-12/31/03	14,858	7,212									22,070
1/1-12/31/04	68,353	44,241	21,476								134,070
1/1-12/31/04	128,942	89,419	57,876	28,096	0	0	0	0	0	0	304,333
Total	\$ 345,870	\$ 140,872	\$ 79,352	\$ 28,096	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 594,190

C. ESTIMATED INVESTMENT INCOME EARNED ON LOSS RESERVES

Policy Period	1/1/05-12/31/05	1/1/06-12/31/06	1/1/07-12/31/07	1/1/08-12/31/08	1/1/09-12/31/09	1/1/10-12/31/10	1/1/11-12/31/11	1/1/12-12/31/11	1/1/12-12/31/11	1/1/12-12/31/11	Total
Total	\$ 5,150	\$ 6,387	\$ 6,086	\$ 3,062	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,685

RESERVE ANALYSIS – PROPERTY

The reserve analysis for property is shown in Tables 19 through 27 and Figures 9 through 11.

The methodology follows the analysis for general liability.

Table 19

UTAH COUNTIES INSURANCE POOL

PROPERTY

INCURRED LOSS DEVELOPMENT FACTORS
(Unlimited Losses Including ALAE Gross of Recoveries)

A. INCURRED LOSSES

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92	36,201	104,038	110,349	106,646	106,646	106,647	106,647	106,647	106,647	106,647	106,647
1/1-12/31/93	282,963	262,078	250,335	248,241	248,547	248,547	248,547	248,547	248,547	248,597	248,597
1/1-12/31/94	524,516	518,943	495,829	495,829	495,829	495,829	495,829	495,829	495,829	495,829	495,587
1/1-12/31/95	117,254	112,495	111,966	110,825	110,825	110,825	110,825	110,825	110,825	109,645	
1/1-12/31/96	202,336	241,033	242,816	245,316	242,351	242,351	238,996	238,996	229,929		
1/1-12/31/97	221,328	227,586	227,586	227,586	227,586	227,586	227,586	227,586			
1/1-12/31/98	451,859	467,602	472,711	472,711	472,711	472,711	499,604				
1/1-12/31/99	621,818	425,799	425,799	412,776	417,776	413,249					
1/1-12/31/00	201,314	234,466	235,577	237,170	236,465						
1/1-12/31/01	468,551	467,080	467,080	461,892							
1/1-12/31/02	394,878	412,989	412,989								
1/1-12/31/03	436,835	422,334									
1/1-12/31/04	556,568										

B. AGE-TO-AGE FACTORS

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to Ultimate
1/1-12/31/92	2.874	1.061	0.966	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/93	0.926	0.955	0.992	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/94	0.989	0.955	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/95	0.959	0.995	0.990	1.000	1.000	1.000	1.000	1.000	0.989		
1/1-12/31/96	1.191	1.007	1.010	0.988	1.000	0.986	1.000	0.962			
1/1-12/31/97	1.028	1.000	1.000	1.000	1.000	1.000	1.000				
1/1-12/31/98	1.035	1.011	1.000	1.000	1.000	1.057					
1/1-12/31/99	0.685	1.000	0.969	1.012	0.989						
1/1-12/31/00	1.165	1.005	1.007	0.997							
1/1-12/31/01	0.997	1.000	0.989								
1/1-12/31/02	1.046	1.000									
1/1-12/31/03	0.967										
Average	1.155	0.999	0.992	1.000	0.999	1.006	1.000	0.992	0.997	1.000	
Wtd Avg	0.984	0.994	0.993	1.001	0.998	1.012	1.000	0.992	0.999	1.000	
3 Yr Avg	1.003	1.002	0.988	1.003	0.996	1.014	1.000	0.987	0.996	1.000	
5 Yr Mid Avg	1.003	1.002	0.996	0.999	1.000	1.000	1.000	1.000	—	—	
Prior	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

C. INCURRED LOSS DEVELOPMENT FACTORS

12 to Months	24 to Months	36 to Months	48 to Months	60 to Months	72 to Months	84 to Months	96 to Months	108 to Months	120 to Months	132 to Months
1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Figure 9

UTAH COUNTIES INSURANCE POOL

PROPERTY

HISTORICAL AND EXPECTED DEVELOPMENT OF INCURRED LOSSES

(Unlimited Losses Including ALAE Gross of Recoveries)

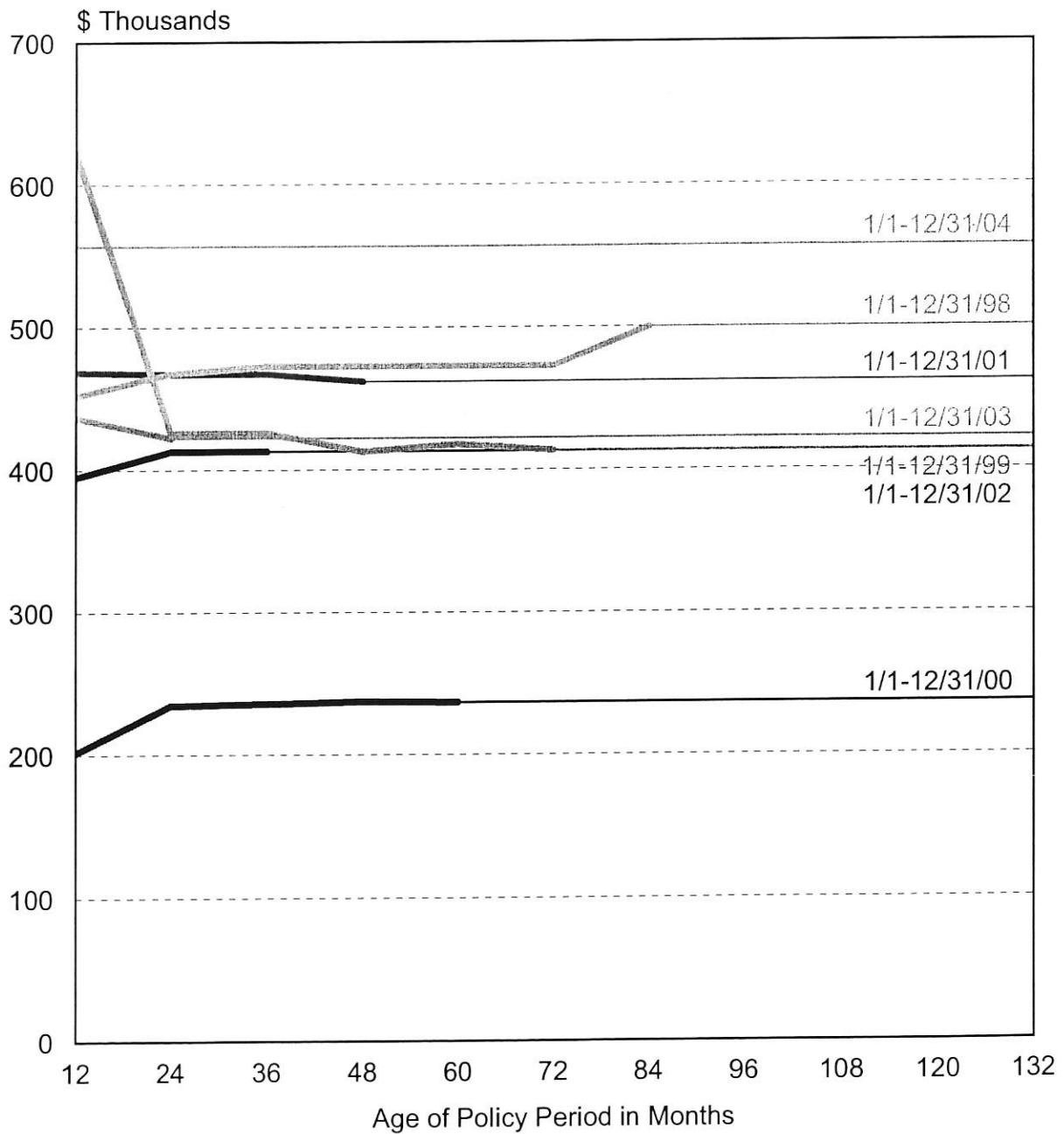


Table 20

UTAH COUNTIES INSURANCE POOL

PROPERTY

ESTIMATED ULTIMATE INCURRED LOSSES
INCURRED LOSS DEVELOPMENT

(Gross of Recoveries)

A. LOSSES LIMITED TO SPECIFIC RETENTION

Policy Period	Unlimited Incurred Losses as of 12/31/04	Specific Retention	Number of Claims in Excess of Retention	Incurred in Excess of Retention	Limited Incurred Losses as of 12/31/04
1/1-12/31/92	\$ 110,766	\$ 150,000	0	\$ 0	\$ 110,766
1/1-12/31/93	249,348	150,000	0	0	249,348
1/1-12/31/94	495,587	150,000	1	6,457	489,130
1/1-12/31/95	109,645	150,000	0	0	109,645
1/1-12/31/96	229,929	150,000	0	0	229,929
1/1-12/31/97	227,586	150,000	0	0	227,586
1/1-12/31/98	499,604	150,000	0	0	499,604
1/1-12/31/99	413,249	150,000	1	503	412,746
1/1-12/31/00	236,465	150,000	0	0	236,465
1/1-12/31/01	461,892	150,000	0	0	461,892
1/1-12/31/02	412,989	150,000	0	0	412,989
1/1-12/31/03	422,334	150,000	0	0	422,334
1/1-12/31/04	556,568	150,000	0	0	556,568
Total	\$ 4,425,962		2	\$ 6,960	\$ 4,419,002

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Incurred Losses as of 12/31/04	Age of Policy Period in Months	Incurred Loss Development Factor	Estimated Ultimate Incurred Losses
1/1-12/31/92	\$ 110,766	156	1.000	\$ 110,766
1/1-12/31/93	249,348	144	1.000	249,348
1/1-12/31/94	489,130	132	1.000	489,130
1/1-12/31/95	109,645	120	1.000	109,645
1/1-12/31/96	229,929	108	1.000	229,929
1/1-12/31/97	227,586	96	1.000	227,586
1/1-12/31/98	499,604	84	1.000	499,604
1/1-12/31/99	412,746	72	1.000	412,746
1/1-12/31/00	236,465	60	1.000	236,465
1/1-12/31/01	461,892	48	1.000	461,892
1/1-12/31/02	412,989	36	1.000	412,989
1/1-12/31/03	422,334	24	1.000	422,334
1/1-12/31/04	556,568	12	1.000	556,568
Total	\$ 4,419,002			\$ 4,419,002

Table 21

UTAH COUNTIES INSURANCE POOL

PROPERTY

PAID LOSS DEVELOPMENT FACTORS
(Unlimited Losses Including ALAE Gross of Recoveries)

A. PAID LOSSES

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92	5,284	100,336	106,647	106,646	106,646	106,647	106,647	106,647	106,647	106,647	106,647
1/1-12/31/93	182,364	247,205	248,241	248,241	248,547	248,547	248,547	248,547	248,547	248,597	248,597
1/1-12/31/94	283,573	328,944	495,829	495,829	495,829	495,829	495,829	495,829	495,829	495,829	495,587
1/1-12/31/95	82,155	106,465	106,466	110,825	110,825	110,825	110,825	110,825	110,825	109,645	
1/1-12/31/96	159,472	226,794	241,360	242,351	242,351	242,351	238,996	238,996	229,929		
1/1-12/31/97	208,973	227,586	227,586	227,586	227,586	227,586	227,586	227,586			
1/1-12/31/98	433,903	463,154	467,812	468,266	468,470	469,276	499,604				
1/1-12/31/99	323,940	412,776	412,776	412,776	413,249	413,249					
1/1-12/31/00	192,991	233,502	235,207	237,170	236,465						
1/1-12/31/01	362,417	467,079	467,079	461,892							
1/1-12/31/02	329,052	412,989	412,989								
1/1-12/31/03	379,411	422,334									
1/1-12/31/04	414,411										

B. AGE-TO-AGE FACTORS

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to Ultimate
1/1-12/31/92	18.989	1.063	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/93	1.356	1.004	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/94	1.160	1.507	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/95	1.296	1.000	1.041	1.000	1.000	1.000	1.000	1.000	0.989		
1/1-12/31/96	1.422	1.064	1.004	1.000	1.000	0.986	1.000	0.962			
1/1-12/31/97	1.089	1.000	1.000	1.000	1.000	1.000	1.000				
1/1-12/31/98	1.067	1.010	1.001	1.000	1.002	1.065					
1/1-12/31/99	1.274	1.000	1.000	1.001	1.000						
1/1-12/31/00	1.210	1.007	1.008	0.997							
1/1-12/31/01	1.289	1.000	0.989								
1/1-12/31/02	1.255	1.000									
1/1-12/31/03	1.113										
Average	2.710	1.060	1.004	1.000	1.000	1.007	1.000	0.992	0.997	1.000	
Wtd Avg	1.240	1.060	1.001	1.000	1.000	1.014	1.000	0.992	0.999	1.000	
3 Yr Avg	1.219	1.002	0.999	0.999	1.001	1.017	1.000	0.987	0.996	1.000	
5 Yr Mid Avg	1.246	1.002	1.000	1.000	1.000	1.000	1.000	1.000	---	---	
Prior	1.250	1.010	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.240	1.010	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

C. PAID LOSS DEVELOPMENT FACTORS

12 to Months	24 to Months	36 to Months	48 to Months	60 to Months	72 to Months	84 to Months	96 to Months	108 to Months	120 to Months	132 to Months
1.256	1.013	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Figure 10

UTAH COUNTIES INSURANCE POOL

PROPERTY

HISTORICAL AND EXPECTED DEVELOPMENT OF PAID LOSSES

(Unlimited Losses Including ALAE Gross of Recoveries)

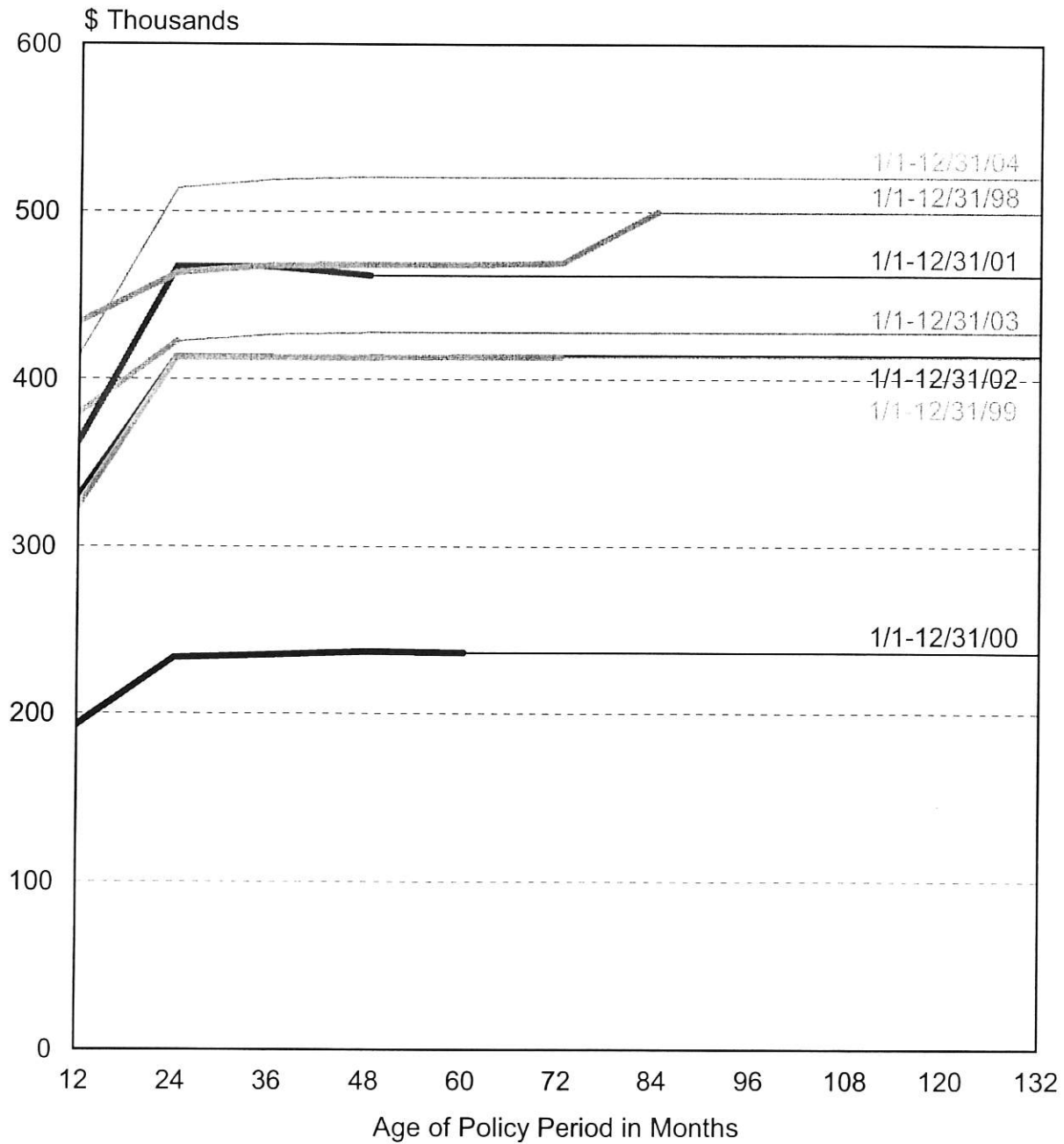


Table 22

UTAH COUNTIES INSURANCE POOL

PROPERTY

ESTIMATED ULTIMATE INCURRED LOSSES
PAID LOSS DEVELOPMENT
(Gross of Recoveries)

A. LOSSES LIMITED TO SPECIFIC RETENTION

Policy Period	Unlimited Paid Losses as of 12/31/04	Specific Retention	Number of Claims in Excess of Retention	Paid in Excess of Retention	Limited Paid Losses as of 12/31/04
1/1-12/31/92	\$ 110,766	\$ 150,000	0	\$ 0	\$ 110,766
1/1-12/31/93	249,348	150,000	0	0	249,348
1/1-12/31/94	495,587	150,000	1	6,457	489,130
1/1-12/31/95	109,645	150,000	0	0	109,645
1/1-12/31/96	229,929	150,000	0	0	229,929
1/1-12/31/97	227,586	150,000	0	0	227,586
1/1-12/31/98	499,604	150,000	0	0	499,604
1/1-12/31/99	413,249	150,000	1	503	412,746
1/1-12/31/00	236,465	150,000	0	0	236,465
1/1-12/31/01	461,892	150,000	0	0	461,892
1/1-12/31/02	412,989	150,000	0	0	412,989
1/1-12/31/03	422,334	150,000	0	0	422,334
1/1-12/31/04	414,411	150,000	0	0	414,411
Total	\$ 4,283,805		2	\$ 6,960	\$ 4,276,845

B. ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	Limited Paid Losses as of 12/31/04	Age of Policy Period in Months	Paid Loss Development Factor	Estimated Ultimate Incurred Losses
1/1-12/31/92	\$ 110,766	156	1.000	\$ 110,766
1/1-12/31/93	249,348	144	1.000	249,348
1/1-12/31/94	489,130	132	1.000	489,130
1/1-12/31/95	109,645	120	1.000	109,645
1/1-12/31/96	229,929	108	1.000	229,929
1/1-12/31/97	227,586	96	1.000	227,586
1/1-12/31/98	499,604	84	1.000	499,604
1/1-12/31/99	412,746	72	1.000	412,746
1/1-12/31/00	236,465	60	1.000	236,465
1/1-12/31/01	461,892	48	1.000	461,892
1/1-12/31/02	412,989	36	1.000*	412,989
1/1-12/31/03	422,334	24	1.000*	422,334
1/1-12/31/04	414,411	12	1.256	520,500
Total	\$ 4,276,845			\$ 4,382,934

* Selected a factor of 1.0 since all reported claims are closed, and it is unlikely that additional claims will be reported.

Table 23

UTAH COUNTIES INSURANCE POOL

PROPERTY

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES
(Limited to Specific Retention)

A. SELECTED ULTIMATE LOSSES GROSS OF RECOVERIES

Policy Period	Incurred Loss Development Method	Paid Loss Development Method	Selected Estimated Ultimate Incurred Losses
1/1-12/31/92	\$ 110,766	\$ 110,766	\$ 110,766 *
1/1-12/31/93	249,348	249,348	249,348 *
1/1-12/31/94	489,130	489,130	489,130 *
1/1-12/31/95	109,645	109,645	109,645 *
1/1-12/31/96	229,929	229,929	229,929 *
1/1-12/31/97	227,586	227,586	227,586 *
1/1-12/31/98	499,604	499,604	499,604 *
1/1-12/31/99	412,746	412,746	412,746 *
1/1-12/31/00	236,465	236,465	236,465 *
1/1-12/31/01	461,892	461,892	461,892 *
1/1-12/31/02	412,989	412,989	412,989 *
1/1-12/31/03	422,334	422,334	422,334 *
1/1-12/31/04	556,568	520,500	556,568 #
Total	\$4,419,002	\$4,382,934	\$4,419,002

B. SELECTED ULTIMATE LOSSES NET OF RECOVERIES

Policy Period	Selected Estimated Ultimate Gross of Recoveries	Recoveries	Selected Estimated Ultimate Net of Recoveries
1/1-12/31/92	\$ 110,766	\$ 18,562	\$ 92,204
1/1-12/31/93	249,348	82,498	166,850
1/1-12/31/94	489,130	68,763	420,367
1/1-12/31/95	109,645	18,972	90,673
1/1-12/31/96	229,929	21,617	208,312
1/1-12/31/97	227,586	6,770	220,816
1/1-12/31/98	499,604	81,677	417,927
1/1-12/31/99	412,746	30,235	382,511
1/1-12/31/00	236,465	39,002	197,463
1/1-12/31/01	461,892	52,886	409,006
1/1-12/31/02	412,989	41,803	371,186
1/1-12/31/03	422,334	81,222	341,112
1/1-12/31/04	556,568	34,161	522,407
Total	\$4,419,002	\$ 578,168	\$3,840,834

* Selected the average.

Selected the incurred method since the paid estimate is less than incurred losses.

Figure 11

UTAH COUNTIES INSURANCE POOL

PROPERTY

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

(Limited to Specific Retention)

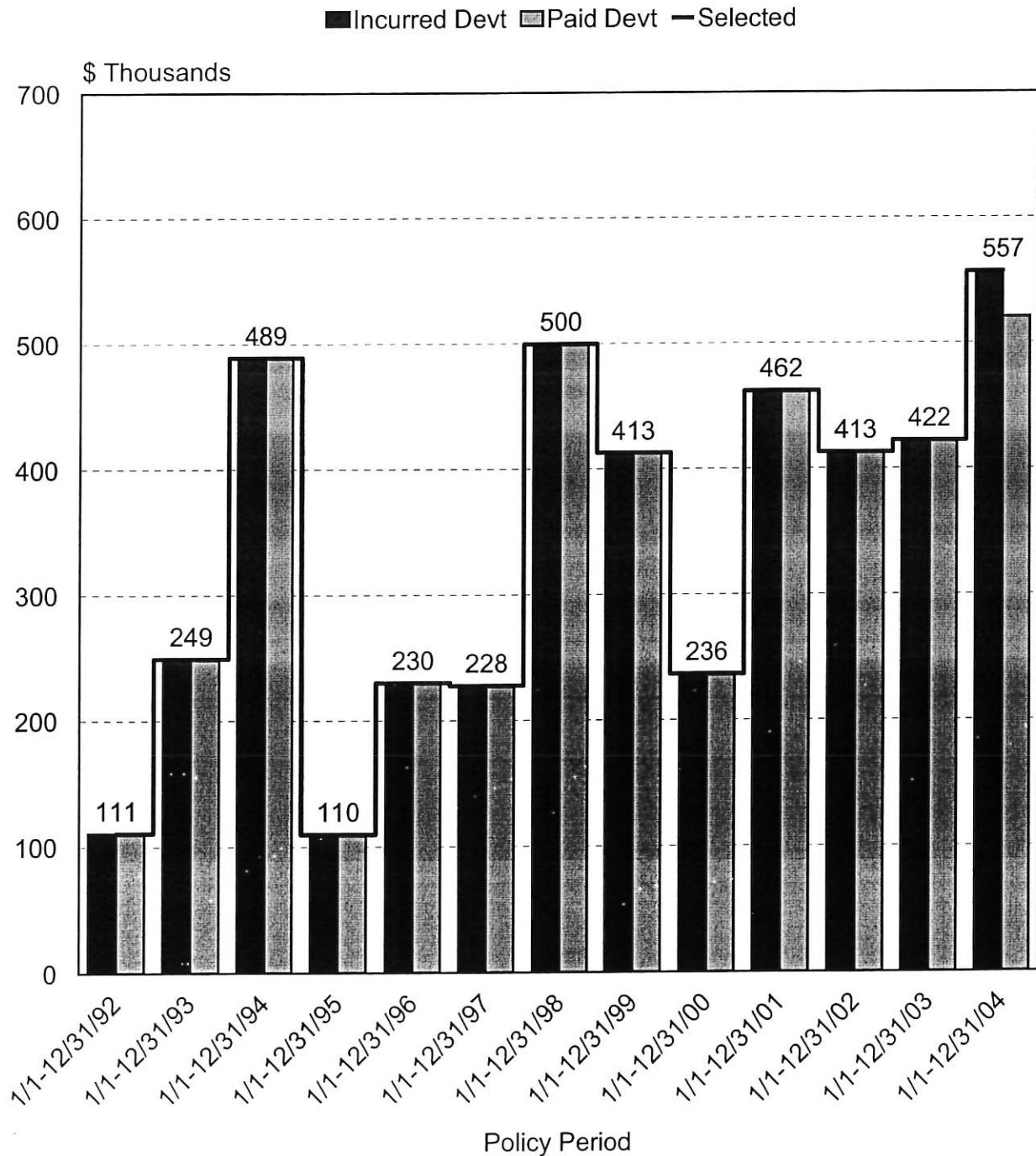


Table 24

UTAH COUNTIES INSURANCE POOL

PROPERTY

LOSSES LIMITED TO AGGREGATE RETENTIONS

(Limited to Specific Retention)

(Net of Recoveries)

A. LOSS SUMMARY PRIOR TO AGGREGATE

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/04	Paid Losses as of 12/31/04
1/1-12/31/92	\$ 92,204	\$ 92,204	\$ 92,204
1/1-12/31/93	166,850	166,850	166,850
1/1-12/31/94	420,367	420,367	420,367
1/1-12/31/95	90,673	90,673	90,673
1/1-12/31/96	208,312	208,312	208,312
1/1-12/31/97	220,816	220,816	220,816
1/1-12/31/98	417,927	417,927	417,927
1/1-12/31/99	382,511	382,511	382,511
1/1-12/31/00	197,463	197,463	197,463
1/1-12/31/01	409,006	409,006	409,006
1/1-12/31/02	371,186	371,186	371,186
1/1-12/31/03	341,112	341,112	341,112
1/1-12/31/04	522,407	522,407	380,250
Total	\$3,840,834	\$3,840,834	\$3,698,677

B. LOSS SUMMARY REFLECTING THE AGGREGATE@

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/04	Paid Losses as of 12/31/04
1/1-12/31/92	\$ 92,204	\$ 92,204	\$ 92,204
1/1-12/31/93	166,850	166,850	166,850
1/1-12/31/94	420,367	420,367	420,367
1/1-12/31/95	90,673	90,673	90,673
1/1-12/31/96	208,312	208,312	208,312
1/1-12/31/97	220,816	220,816	220,816
1/1-12/31/98	417,927	417,927	417,927
1/1-12/31/99	382,511	382,511	382,511
1/1-12/31/00	197,463	197,463	197,463
1/1-12/31/01	409,006	409,006	409,006
1/1-12/31/02	371,186	371,186	371,186
1/1-12/31/03	341,112	341,112	341,112
1/1-12/31/04	522,407	522,407	380,250
Total	\$3,840,834	\$3,840,834	\$3,698,677

@ Losses excess of the aggregate are allocated entirely to general liability.

Table 25

UTAH COUNTIES INSURANCE POOL

PROPERTY

ESTIMATED REQUIRED RESERVES AS OF 12/31/04

(Limited to Specific Retention)

(Net of Recoveries)

A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/04	Paid Losses as of 12/31/04
1/1-12/31/92	\$ 92,204	\$ 92,204	\$ 92,204
1/1-12/31/93	166,850	166,850	166,850
1/1-12/31/94	420,367	420,367	420,367
1/1-12/31/95	90,673	90,673	90,673
1/1-12/31/96	208,312	208,312	208,312
1/1-12/31/97	220,816	220,816	220,816
1/1-12/31/98	417,927	417,927	417,927
1/1-12/31/99	382,511	382,511	382,511
1/1-12/31/00	197,463	197,463	197,463
1/1-12/31/01	409,006	409,006	409,006
1/1-12/31/02	371,186	371,186	371,186
1/1-12/31/03	341,112	341,112	341,112
1/1-12/31/04	522,407	522,407	380,250
Total	\$3,840,834	\$3,840,834	\$3,698,677

B. ESTIMATED REQUIRED RESERVES AS OF 12/31/04

Policy Period	Case Reserves as of 12/31/04	Estimated IBNR as of 12/31/04	Estimated Required Reserves as of 12/31/04
1/1-12/31/92	\$ 0	\$ 0	\$ 0
1/1-12/31/93	0	0	0
1/1-12/31/94	0	0	0
1/1-12/31/95	0	0	0
1/1-12/31/96	0	0	0
1/1-12/31/97	0	0	0
1/1-12/31/98	0	0	0
1/1-12/31/99	0	0	0
1/1-12/31/00	0	0	0
1/1-12/31/01	0	0	0
1/1-12/31/02	0	0	0
1/1-12/31/03	0	0	0
1/1-12/31/04	142,157	0	142,157
Total	\$ 142,157	\$ 0	\$ 142,157

Table 26

UTAH COUNTIES INSURANCE POOL

PROPERTY

PAID TO INCURRED RATIOS

(Unlimited Losses Including ALAE Gross of Recoveries)

A. PAID / INCURRED LOSSES

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92	0.146	0.964	0.966	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1/1-12/31/93	0.644	0.943	0.992	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1/1-12/31/94	0.541	0.634	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1/1-12/31/95	0.701	0.946	0.951	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/96	0.788	0.941	0.994	0.988	1.000	1.000	1.000	1.000	1.000		
1/1-12/31/97	0.944	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
1/1-12/31/98	0.960	0.990	0.990	0.991	0.991	0.993	1.000				
1/1-12/31/99	0.521	0.969	0.969	1.000	0.989	1.000					
1/1-12/31/00	0.959	0.996	0.998	1.000	1.000						
1/1-12/31/01	0.773	1.000	1.000	1.000							
1/1-12/31/02	0.833	1.000	1.000								
1/1-12/31/03	0.869	1.000									
1/1-12/31/04	0.745										
Average	0.725	0.949	0.987	0.998	0.998	0.999	1.000	1.000	1.000	1.000	1.000
3 Yr Average	0.816	1.000	0.999	1.000	0.993	0.998	1.000	1.000	1.000	1.000	1.000

B. PAID / ESTIMATED ULTIMATE INCURRED LOSSES

Policy Period	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	Estimated Ultimate Incurred Losses*
1/1-12/31/92	0.048	0.906	0.963	0.963	0.963	0.963	0.963	0.963	0.963	0.963	0.963	\$ 110,766
1/1-12/31/93	0.731	0.991	0.996	0.996	0.997	0.997	0.997	0.997	0.997	0.997	0.997	249,348
1/1-12/31/94	0.572	0.664	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	495,587
1/1-12/31/95	0.749	0.971	0.971	1.011	1.011	1.011	1.011	1.011	1.011	1.000		109,645
1/1-12/31/96	0.694	0.986	1.050	1.054	1.054	1.054	1.039	1.039	1.000			229,929
1/1-12/31/97	0.918	1.000	1.000	1.000	1.000	1.000	1.000	1.000				227,586
1/1-12/31/98	0.868	0.927	0.936	0.937	0.938	0.939	1.000					499,604
1/1-12/31/99	0.784	0.999	0.999	0.999	1.000	1.000						413,249
1/1-12/31/00	0.816	0.987	0.995	1.003	1.000							236,465
1/1-12/31/01	0.785	1.011	1.011	1.000								461,892
1/1-12/31/02	0.797	1.000	1.000									412,989
1/1-12/31/03	0.898	1.000										422,334
1/1-12/31/04	0.745											556,568
Average	0.723	0.954	0.993	0.996	0.996	0.996	1.001	1.002	0.994	0.990	0.987	\$ 4,425,962
3 Yr Average	0.813	1.004	1.002	1.001	0.979	0.980	1.013	1.017	1.004	0.999	0.987	
Prior	0.800	0.990	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	0.810	0.990	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	

* Estimated in a manner similar to Section A of Table 23.

Table 27

UTAH COUNTIES INSURANCE POOL

PROPERTY

DISCOUNTED ESTIMATED REQUIRED RESERVES AS OF 12/31/04
(Limited to Specific and Aggregate Retentions)

A. ESTIMATED AMOUNT PAID IN INTERVAL

Policy Period	1/1/05- 12/31/05	1/1/06- 12/31/06	1/1/07- 12/31/07	1/1/08- 12/31/08	1/1/09- 12/31/09	1/1/10- 12/31/10	1/1/11- 12/31/11	1/1/12- 12/31/12	1/1/13- 12/31/13	1/1/14- 12/31/14	Total
6/1-12/31/93	\$ 0										\$ 0
1/1-12/31/94	0										0
1/1-12/31/95	0										0
1/1-12/31/96	0										0
1/1-12/31/97	0										0
1/1-12/31/98	0										0
1/1-12/31/99	0										0
1/1-12/31/00	0										0
1/1-12/31/01	0										0
1/1-12/31/02	0										0
1/1-12/31/03	0										0
1/1-12/31/04	0										0
1/1-12/31/04	134,675	7,482	0	0	0	0	0	0	0	0	142,157
Total	\$ 134,675	\$ 7,482	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 142,157

B. ESTIMATED AMOUNT PAID DISCOUNTED AT 3.0% PER ANNUM

Policy Period	1/1/05- 12/31/05	1/1/06- 12/31/06	1/1/07- 12/31/07	1/1/08- 12/31/08	1/1/09- 12/31/09	1/1/10- 12/31/10	1/1/11- 12/31/11	1/1/12- 12/31/11	1/1/12- 12/31/11	1/1/12- 12/31/11	Total
6/1-12/31/93	\$ 0										\$ 0
1/1-12/31/94	0										0
1/1-12/31/95	0										0
1/1-12/31/96	0										0
1/1-12/31/97	0										0
1/1-12/31/98	0										0
1/1-12/31/99	0										0
1/1-12/31/00	0										0
1/1-12/31/01	0										0
1/1-12/31/02	0										0
1/1-12/31/03	0										0
1/1-12/31/04	0										0
1/1-12/31/04	132,699	7,158	0	0	0	0	0	0	0	0	139,857
Total	\$ 132,699	\$ 7,158	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 139,857

C. ESTIMATED INVESTMENT INCOME EARNED ON LOSS RESERVES

Policy Period	1/1/05- 12/31/05	1/1/06- 12/31/06	1/1/07- 12/31/07	1/1/08- 12/31/08	1/1/09- 12/31/09	1/1/10- 12/31/10	1/1/11- 12/31/11	1/1/12- 12/31/11	1/1/12- 12/31/11	1/1/12- 12/31/11	Total
Total	\$ 1,976	\$ 324	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,300

RESERVE ANALYSIS – ALL COVERAGES

Summary exhibits for all coverages combined follow in Tables 28 through 30.

Table 28

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

LOSSES LIMITED TO AGGREGATE RETENTIONS

(Limited to Specific Retention)

(Net of Recoveries)

A. LOSS SUMMARY PRIOR TO AGGREGATE

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/04	Paid Losses as of 12/31/04
1/1-12/31/92	\$1,070,775	\$1,070,775	\$1,070,775
1/1-12/31/93	1,599,944	1,599,944	1,576,414
1/1-12/31/94	1,473,330	1,473,330	1,473,330
1/1-12/31/95	864,371	864,371	839,926
1/1-12/31/96	899,711	899,711	899,711
1/1-12/31/97	1,151,060	1,151,060	1,114,038
1/1-12/31/98	1,399,377	1,395,764	1,307,696
1/1-12/31/99	1,580,571	1,564,975	1,421,990
1/1-12/31/00	1,119,812	1,094,251	1,048,597
1/1-12/31/01	2,171,587	2,067,489	1,588,377
1/1-12/31/02	1,775,466	1,533,974	1,224,312
1/1-12/31/03	2,178,111	1,583,157	1,190,537
1/1-12/31/04	2,644,689	1,631,854	829,784
Total	\$19,928,804	\$17,930,655	\$15,585,487

B. LOSS SUMMARY REFLECTING THE AGGREGATE

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/04	Paid Losses as of 12/31/04	Aggregate Retention
1/1-12/31/92	\$ 850,000 @	\$ 850,000 @	\$ 850,000 @	\$ 850,000
1/1-12/31/93	1,100,000 @	1,100,000 @	1,100,000 @	1,100,000
1/1-12/31/94	1,350,000 @	1,350,000 @	1,350,000 @	1,350,000
1/1-12/31/95	864,371	864,371	839,926	2,350,000
1/1-12/31/96	899,711	899,711	899,711	2,350,000
1/1-12/31/97	1,151,060	1,151,060	1,114,038	1,475,000
1/1-12/31/98	1,399,377	1,395,764	1,307,696	1,558,000
1/1-12/31/99	1,530,000 @	1,530,000 @	1,421,990	1,530,000
1/1-12/31/00	1,119,812	1,094,251	1,048,597	1,532,250
1/1-12/31/01	1,715,000 @	1,715,000 @	1,588,377	1,715,000
1/1-12/31/02	1,775,466	1,533,974	1,224,312	1,850,000
1/1-12/31/03	2,178,111	1,583,157	1,190,537	N/A
1/1-12/31/04	2,644,689	1,631,854	829,784	N/A
Total	\$18,577,597	\$16,699,142	\$14,764,968	

@ Limited by the aggregate. All aggregate recoveries are allocated to general liability.

Table 29

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

ESTIMATED REQUIRED RESERVES AS OF 12/31/04

(Limited to Specific and Aggregate Retentions)
(Net of Recoveries)

A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/04	Paid Losses as of 12/31/04
1/1-12/31/92	\$ 850,000	\$ 850,000	\$ 850,000
1/1-12/31/93	1,100,000	1,100,000	1,100,000
1/1-12/31/94	1,350,000	1,350,000	1,350,000
1/1-12/31/95	864,371	864,371	839,926
1/1-12/31/96	899,711	899,711	899,711
1/1-12/31/97	1,151,060	1,151,060	1,114,038
1/1-12/31/98	1,399,377	1,395,764	1,307,696
1/1-12/31/99	1,530,000	1,530,000	1,421,990
1/1-12/31/00	1,119,812	1,094,251	1,048,597
1/1-12/31/01	1,715,000	1,715,000	1,588,377
1/1-12/31/02	1,775,466	1,533,974	1,224,312
1/1-12/31/03	2,178,111	1,583,157	1,190,537
1/1-12/31/04	2,644,689	1,631,854	829,784
Total	\$18,577,597	\$16,699,142	\$14,764,968

B. ESTIMATED REQUIRED RESERVES AS OF 12/31/04

Policy Period	Case Reserves as of 12/31/04	Estimated IBNR as of 12/31/04	Estimated Required Reserves as of 12/31/04
1/1-12/31/92	\$ 0	\$ 0	\$ 0
1/1-12/31/93	0	0	0
1/1-12/31/94	0	0	0
1/1-12/31/95	24,445	0	24,445
1/1-12/31/96	0	0	0
1/1-12/31/97	37,022	0	37,022
1/1-12/31/98	88,068	3,613	91,681
1/1-12/31/99	108,010	0	108,010
1/1-12/31/00	45,654	25,561	71,215
1/1-12/31/01	126,623	0	126,623
1/1-12/31/02	309,662	241,492	551,154
1/1-12/31/03	392,620	594,954	987,574
1/1-12/31/04	802,070	1,012,835	1,814,905
Total	\$1,934,174	\$1,878,455	\$3,812,629

Table 30

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

DISCOUNTED ESTIMATED REQUIRED RESERVES AS OF 12/31/04
(Limited to Specific and Aggregate Retentions)

A. ESTIMATED AMOUNT PAID IN INTERVAL

Policy Period	1/1/05-12/31/05	1/1/06-12/31/06	1/1/07-12/31/07	1/1/08-12/31/08	1/1/09-12/31/09	1/1/10-12/31/10	1/1/11-12/31/11	1/1/12-12/31/12	1/1/13-12/31/13	1/1/14-12/31/14	Total
6/1-12/31/93	\$ 0										\$ 0
1/1-12/31/94	0										0
1/1-12/31/95	0										0
1/1-12/31/96	24,445										24,445
1/1-12/31/97	0										0
1/1-12/31/98	37,022										37,022
1/1-12/31/99	73,345	18,336									91,681
1/1-12/31/00	78,814	29,196	0								108,010
1/1-12/31/01	25,434	20,347	20,347	5,087							71,215
1/1-12/31/02	126,623	0	0	0	0						126,623
1/1-12/31/03	214,527	197,014	49,862	39,889	39,890	9,972					551,154
1/1-12/31/04	284,568	285,355	250,275	59,777	47,822	47,822	11,955				987,574
1/1-12/31/04	597,065	360,411	350,601	305,028	72,072	57,657	57,657	14,414	0	0	1,814,905
Total	\$1,461,843	\$ 910,659	\$ 671,085	\$ 409,781	\$ 159,784	\$ 115,451	\$ 69,612	\$ 14,414	\$ 0	\$ 0	\$3,812,629

B. ESTIMATED AMOUNT PAID DISCOUNTED AT 3.0% PER ANNUM

Policy Period	1/1/05-12/31/05	1/1/06-12/31/06	1/1/07-12/31/07	1/1/08-12/31/08	1/1/09-12/31/09	1/1/10-12/31/10	1/1/11-12/31/11	1/1/12-12/31/11	1/1/12-12/31/11	1/1/12-12/31/11	Total
6/1-12/31/93	\$ 0										\$ 0
1/1-12/31/94	0										0
1/1-12/31/95	0										0
1/1-12/31/96	24,086										24,086
1/1-12/31/97	0										0
1/1-12/31/98	36,479										36,479
1/1-12/31/99	72,269	17,541									89,810
1/1-12/31/00	77,658	27,930	0								105,588
1/1-12/31/01	25,061	19,465	18,898	4,587							68,011
1/1-12/31/02	124,765	0	0	0	0						124,765
1/1-12/31/03	211,380	188,470	46,310	35,969	34,922	8,476					525,527
1/1-12/31/04	280,393	272,979	232,447	53,902	41,866	40,646	9,865				932,098
1/1-12/31/04	588,305	344,780	325,627	275,049	63,096	49,006	47,578	11,548	0	0	1,704,989
Total	\$1,440,396	\$ 871,165	\$ 623,282	\$ 369,507	\$ 139,884	\$ 98,128	\$ 57,443	\$ 11,548	\$ 0	\$ 0	\$3,611,353

C. ESTIMATED INVESTMENT INCOME EARNED ON LOSS RESERVES

Policy Period	1/1/05-12/31/05	1/1/06-12/31/06	1/1/07-12/31/07	1/1/08-12/31/08	1/1/09-12/31/09	1/1/10-12/31/10	1/1/11-12/31/11	1/1/12-12/31/11	1/1/12-12/31/11	1/1/12-12/31/11	Total
Total	\$ 21,447	\$ 39,494	\$ 47,803	\$ 40,274	\$ 19,900	\$ 17,323	\$ 12,169	\$ 2,866	\$ 0	\$ 0	\$ 201,276

HISTORICAL PROFITABILITY ANALYSIS

When evaluating the estimates contained in this report, it is important to review the underwriting results of each period to evaluate the program's direction. Section A of Table 31 and Figure 12 present a comparison of the funds available to pay claims to the estimated ultimate incurred losses. In the 1/1-12/31/04 period, it is estimated that UCIP will show underwriting income of (\$255,599).

In Section B, investment income is combined with the underwriting results to estimate net income by policy period. As shown, the estimated net income for the 1/1-12/31/04 period is \$36,754. The estimated surplus, or cumulative net income, for 1/1/01-12/31/04 is \$746,138. This estimate does not include investment income expected to be earned on the loss reserves from Section C of Table 30.

Paid, incurred, estimated ultimate incurred, and permissible loss ratios are shown in Table 32 to further illustrate UCIP's underwriting results. Also shown are combined ratios.

Table 31

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

HISTORICAL PROFITABILITY ANALYSIS

A. ESTIMATED UNDERWRITING INCOME

Policy Period	Audited Premium*	Operating Expenses*	Funds Available for Claims	Estimated Ultimate Incurred Losses	Estimated Underwriting Income
1/1-12/31/01	\$3,222,871	\$1,489,185	\$1,733,686	\$1,715,000	\$ 18,686
1/1-12/31/02	3,505,736	1,644,953	1,860,783	1,775,466	85,317
1/1-12/31/03	3,930,854	2,042,668	1,888,186	2,178,111	(289,925)
1/1-12/31/04	4,849,061 #	2,459,971 #	2,389,090	2,644,689	(255,599)
Total	\$15,508,522	\$7,636,777	\$7,871,745	\$8,313,266	(\$ 441,521)

B. ESTIMATED FUND BALANCE

Policy Period	Estimated Underwriting Income	Interest Income*	Estimated Net Income
1/1-12/31/01	\$ 18,686	\$ 434,407	\$ 453,093
1/1-12/31/02	85,317	237,750	323,067
1/1-12/31/03	(289,925)	223,149	(66,776)
1/1-12/31/04	(255,599)	292,353 #	36,754
Total	(\$ 441,521)	\$1,187,659	\$ 746,138

* From the 12/31/03 audited financial statements.

Annualized based on the 9/30/04 preliminary financial statements.

Figure 12

UTAH COUNTIES INSURANCE POOL
ALL COVERAGES
HISTORICAL PROFITABILITY ANALYSIS

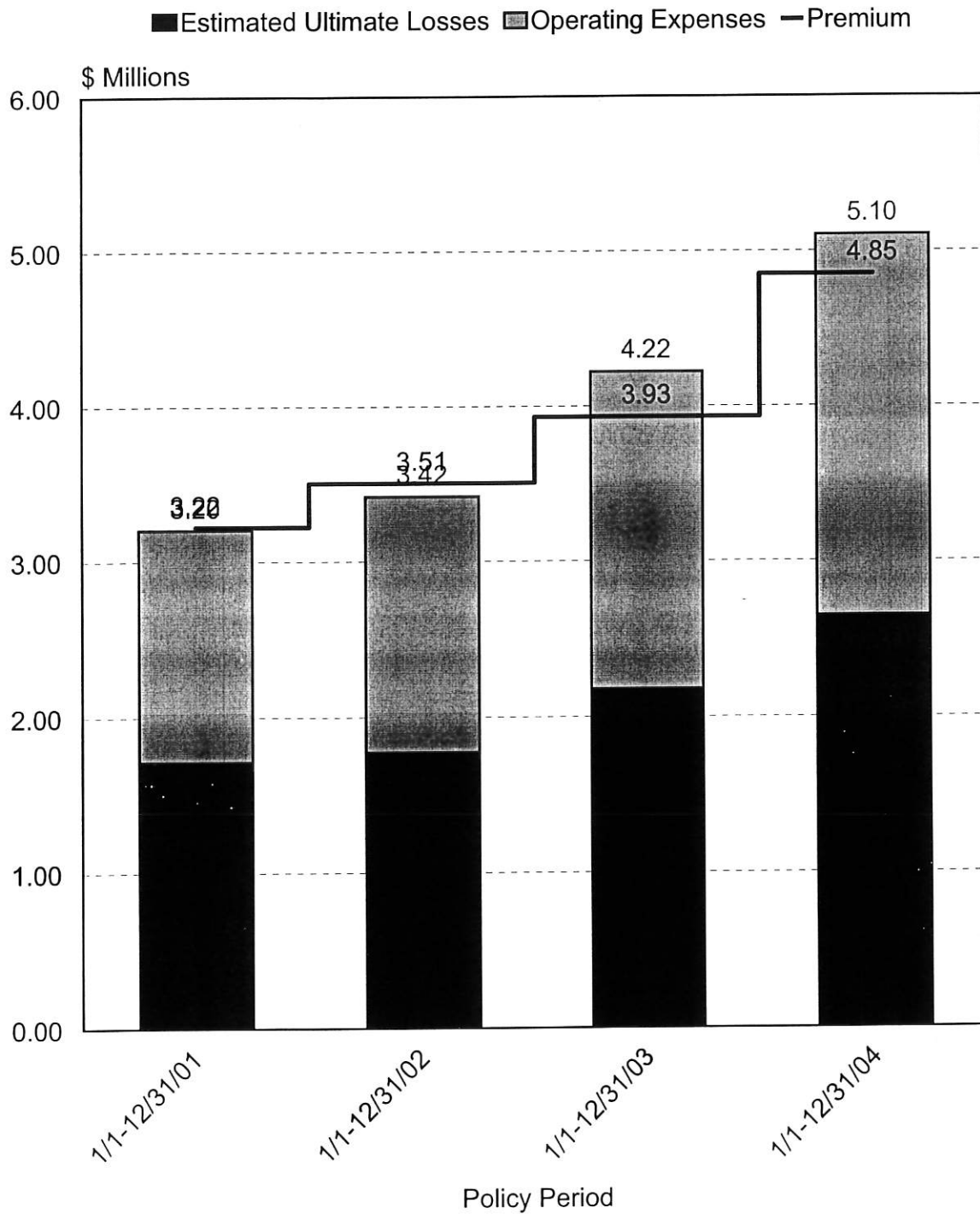


Table 32

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

LOSS RATIOS

(Limited to Specific and Aggregate Retentions)

Policy Period	Paid Loss Ratio as of 12/31/04	Incurred Loss Ratio as of 12/31/04	Estimated Ultimate Incurred Loss Ratio	Permissible Loss Ratio (Funds Available/ Premium)	Combined Ratio [(Losses+ Expenses)/ Premium]
1/1-12/31/01	0.493	0.532	0.532	0.538	0.994
1/1-12/31/02	0.349	0.438	0.506	0.531	0.976
1/1-12/31/03	0.303	0.403	0.554	0.480	1.074
1/1-12/31/04	0.171	0.337	0.545	0.493	1.053
Total			0.536	0.508	1.028

QUALIFICATIONS AND LIMITATIONS

The estimates contained in this report depend upon the following:

- The actuarial assumptions, quantitative analysis, and professional judgment expressed in this report.
- The reliability of loss experience to serve as an indicator of future losses.
- The completeness and accuracy of data provided by UCIP.
- The completeness and accuracy of the discussion of UCIP's excess insurance expressed in this report.
- The appropriateness of the discount rate.

While estimates are shown for each year, actual losses incurred for a particular year may be lower or higher than the amounts shown. However, the amount shown for the total of all years is expected to be reasonable.

The information used in this report should be reviewed for its consistency and accuracy with the internal records of UCIP. Material changes in any of the assumptions or information upon which the findings are based will require a re-evaluation of the results of this report and a possible revision of those findings.

The quantitative methodologies and actuarial factors used in this report are specifically developed for the losses and time periods described above and may not be appropriate for any other losses or periods. As UCIP's loss experience matures and new business is written, it is

important to update this analysis at least annually. Such a report should review changes in the prior periods' losses as well as any new information that might become available.

This report is intended for the use of UCIP and its auditors, service providers, and regulators. If the report is released to any third party, it should be released in its entirety. Please advise BYNAC if this report is distributed to any other third party.

CONSULTATION

The professional opinion given in this report is based on the judgment and experience of BYNAC. An analysis by another actuary may not arrive at the same conclusion. In the event that another actuary is consulted regarding the findings of this report, both actuaries should make themselves available for supplemental advice and consultation.

UTAH COUNTIES INSURANCE POOL

APPENDIX A

LOSSES \$50,000 AND GREATER

Appendix A

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

INCURRED LOSSES \$50,000 OR GREATER
(Gross of Recoveries)

Policy Period	Claim Number	Member	Cov.	Accident Date	Report Date	Status	Incurred Losses as of		Paid Losses as of 12/31/04
							12/31/03	12/31/04	
1/1-12/31/92	UIN9207000	Uintah County	AL	2/7/92	2/7/92	C	109,323	109,323	109,323
	WAS9207004	Washington County	GL	6/1/92	6/1/92	C	114,435	114,435	114,435
	CAC9207005	Cache County	GL	6/4/92	6/4/92	C	211,228	211,228	211,228
	UTA9208085	Utah County	GL	7/24/92	7/24/92	C	67,648	67,648	67,648
	UIN9207013	Uintah County	GL	8/12/92	8/12/92	C	57,811	57,811	57,811
							560,446	560,446	560,446
1/1-12/31/93	IRO9307003	Iron County	PR	2/21/93	2/21/93	C	51,391	51,391	51,391
	DUC9307008	Duchesne County	GL	4/16/93	4/16/93	C	56,060	56,060	56,060
	DAV9307054	Davis County	GL	4/23/93	4/23/93	C	177,478	177,478	177,478
	CAC9307010	Cache County	GL	9/1/93	9/1/93	C	240,383	240,383	240,383
	BOX9307017	Box Elder County	GL	10/8/93	10/8/93	C	84,233	84,233	84,233
	TOO9307022	Tooele County	GL	11/5/93	11/5/93	C	175,692	175,692	175,692
	IRO9307010	Iron County	AL	12/9/93	12/9/93	C	228,035	228,035	228,035
							1,013,271	1,013,271	1,013,271
1/1-12/31/94	UIN9407008	Uintah County	GL	2/9/94	2/9/94	C	54,542	54,542	54,542
	DAV9407057	Davis County	GL	5/8/94	5/8/94	C	68,216	68,216	68,216
	UTA9407013	Utah County	PR	5/26/94	5/26/94	C	158,219	158,219	158,219 #
	IRO9407005	Iron County	AL	7/2/94	7/2/94	C	121,582	121,582	121,582
	EME9407003	Emery County	PR	8/1/94	8/1/94	C	81,836	81,836	81,836
	CAC9407018	Cache County	AL	9/6/94	9/6/94	C	101,057	97,025	97,025
	WAT9407007	Wasatch County	GL	9/6/94	9/6/94	C	90,824	90,824	90,824
	DAV9207065	Davis County	GL	10/4/94	3/23/92	C	77,907	77,907	77,907
	WAT9407004	Wasatch County	AL	10/10/94	10/10/94	C	67,139	58,399	58,399
	WAS9407024	Washington County	GL	10/10/94	10/10/94	C	62,201	62,201	62,201
	UIN9407023	Uintah County	AL	12/8/94	12/8/94	C	92,288	90,904	90,904
							975,811	961,656	961,656
1/1-12/31/95	SAN9608119	Sanpete County	GL	5/15/95	5/15/95	O	50,494	95,494	71,049
	MIL9507009	Millard County	GL	8/15/95	8/15/95	C	60,169	60,169	60,169
							110,663	155,663	131,218
1/1-12/31/96	DAV9607015	Davis County	GL	3/15/96	3/15/96	C	97,985	97,985	97,985
	DAV9607021	Davis County	GL	4/15/96	4/15/96	C	56,495	56,495	56,495
	WAT9605002	Wasatch County	GL	8/2/96	7/20/96	C	62,473	62,473	62,473
	CAC9608144	Cache County	GL	12/6/96	12/6/96	C	74,443	74,443	74,443
							291,396	291,396	291,396
1/1-12/31/97	WAT9708235	Wasatch County	GL	9/24/97	1/13/97	O	325,000	370,000	308,608
	UIN9708066	Uintah County	PR	1/30/97	1/30/97	C	57,985	57,985	57,985
	UTA9708095	Utah County	GL	3/4/97	10/29/96	O	59,472	79,472	57,887
	DAV9708199	Davis County	AL	8/9/97	8/9/97	C	114,799	107,185	107,185
	UTA9708254	Utah County	AL	11/28/97	11/28/97	C	51,071	50,995	50,995
	DAV9708489	Davis County	GL	12/7/97	12/7/97	C	69,010	100,969	100,969
							677,337	766,606	683,628
1/1-12/31/98	IRO9808429	IRO9808429-001	GL	4/21/98	4/21/98	C	65,757	65,757	65,757
	WAS00087990	WAS00087990-001	GL	6/7/98	6/7/98	O	110,615	130,615	92,719
	MIL9808384	MIL9808384-001	PR	6/10/98	6/10/98	C	56,507	56,507	56,507
	JUA9808417	JUA9808417-004	AL	7/26/98	7/26/98	C	102,592	85,752	85,752
	SAJ9808434	SAJ9808434-001	PR	9/1/98	9/1/98	C	80,190	54,266	54,266
	KAN9808466	KAN9808466-005	AL	9/27/98	9/27/98	C	88,207	67,668	67,668
	CAR99087770	CAR99087770-001	GL	10/7/98	10/7/98	C	121,825	121,825	121,825
	UTA03089090	UTA03089090-001	GL	12/29/98	12/29/98	O	<	97,000	72,433
							625,693	679,391	616,928

Appendix A

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

INCURRED LOSSES \$50,000 OR GREATER
(Gross of Recoveries)

Policy Period	Claim Number	Member	Cov.	Accident Date	Report Date	Status	Incurred Losses as of		Paid Losses as of
							12/31/03	12/31/04	
1/1-12/31/99	WEB9908639	Weber County	GL	2/24/99	2/24/99	C	78,539	78,539	78,539
	DAV01088480	Davis County	GL	4/5/99	4/5/99	O	53,688	53,688	29,604
	RIC9908675	Rich County	GL	6/10/99	6/10/99	O	183,500	280,000	219,521
	WAT9908666	Wasatch County	PR	6/26/99	6/26/99	C	151,477	151,477	151,477
	WEB00087920	Weber County	GL	10/16/99	10/16/99	C	277,166	277,166	277,166
	WAS00088160	Washington County	GL	10/23/99	10/23/99	O	110,615	130,615	92,719
							854,985	971,486	849,027
1/1-12/31/00	WEB00088040	Weber County	AL	5/7/00	5/7/00	C	75,287	302,642	302,642
	CAC00088000	Cache County	GL	5/12/00	5/12/00	C	64,407	61,808	61,808
	WEB01088620	Weber County	GL	11/14/00	11/14/00	C	155,076	155,076	155,076
							294,770	519,526	519,526
1/1-12/31/01	WEB01088290	Weber County	GL	1/2/01	1/2/01	O	210,120	250,120	68,527
	DAV01088270	Davis County	GL	* 1/10/01	2/2/00	O	<	60,444	36,141
	CAC01088030	Cache County	AL	2/8/01	2/8/01	O	172,743	187,743	129,136
	CAR01087960	Carbon County	AL	3/16/01	3/16/01	C	346,442	332,534	332,534
	WEB01088490	Weber County	GL	* 5/7/01	10/28/99	O	72,532	152,532	122,056
	UTA02088760	Utah County	GL	5/11/01	5/11/01	O	<	60,000	15,948
	UTA01088660	Utah County	GL	8/12/01	8/12/01	O	175,389	175,389	169,451
	IRO01087970	Iron County	AL	9/5/01	9/5/01	O	<	53,678	14,143
	WEB01088840	Weber County	PR	10/4/01	10/4/01	C	85,641	85,641	85,641
							1,062,867	1,358,080	973,575
1/1-12/31/02	SEV02088040	Sevier County	GL	* 3/7/02	2/14/02	C	147,633	147,633	147,633
	UIN02088010	Uintah County	GL	* 3/12/02	2/25/02	O	59,428	89,428	61,633
	BOX02088270	Box Elder County	GL	* 3/12/02	9/27/99	C	98,017	242,564	242,564
	UIN02088030	Uintah County	GL	* 3/22/02	2/14/01	O	50,000	80,000	40,280
							355,078	559,625	492,110
1/1-12/31/03	WAS03088470	Washington County	PR	1/5/03	1/5/03	C	51,848	51,848	51,848
	WEB03089480	Weber County	AL	1/31/03	1/31/03	C	116,597	164,367	164,367
	EME03088100	Emery County	AL	5/27/03	5/27/03	O	194,477	171,650	151,650
	DUC03088240	Duchesne County	GL	* 7/2/03	8/2/02	O	<	85,000	62,060
							362,922	472,865	429,925
1/1-12/31/04	SAJ-000007-2004	San Juan County	AL	4/13/04	4/14/04	C		480,552	480,552
	DAG-000003-2004	Daggett County	PR	4/29/04	4/29/04	C		55,526	55,526
	UTA-000020-2004	Utah County	GL	5/23/04	11/5/04	O		80,000	16,091
	WEB-000018-2004	Weber County	AL	7/2/04	7/6/04	O		107,500	4,500
	WEB-000037-2004	Weber County	PR	11/23/04	12/7/04	O		100,500	0
								824,079	556,670

* E&O claim with a claims made coverage trigger.

< Less than \$50,000.

Gross of \$1,762 recovery.

UTAH COUNTIES INSURANCE POOL

APPENDIX B

SUPPORTING EXHIBITS

Appendix B, Exhibit I

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

CLAIM COUNT DEVELOPMENT FACTORS

(Including Claims Closed without Payment)

A. REPORTED CLAIMS

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92			138	138	139	140	140	140	140	140	140
1/1-12/31/93		130	137	141	144	144	144	144	144	144	145
1/1-12/31/94	72	109	119	121	121	123	125	125	125	125	124
1/1-12/31/95	75	126	135	138	142	143	143	143	143	140	
1/1-12/31/96	74	119	121	122	121	121	121	121	123		
1/1-12/31/97	42	76	82	86	86	87	87	87			
1/1-12/31/98	68	113	119	120	122	123	119				
1/1-12/31/99	73	115	125	126	128	129					
1/1-12/31/00	102	134	137	137	142						
1/1-12/31/01	75	101	104	106							
1/1-12/31/02	46	64	70								
1/1-12/31/03	63	93									
1/1-12/31/04	60										

B. AGE-TO-AGE FACTORS

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to Ultimate
1/1-12/31/92			1.000	1.007	1.007	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/93		1.054	1.029	1.021	1.000	1.000	1.000	1.000	1.000	1.007	
1/1-12/31/94	1.514	1.092	1.017	1.000	1.017	1.016	1.000	1.000	1.000	0.992	
1/1-12/31/95	1.680	1.071	1.022	1.029	1.007	1.000	1.000	1.000	0.979		
1/1-12/31/96	1.608	1.017	1.008	0.992	1.000	1.000	1.000	1.017			
1/1-12/31/97	1.810	1.079	1.049	1.000	1.012	1.000	1.000				
1/1-12/31/98	1.662	1.053	1.008	1.017	1.008	0.967					
1/1-12/31/99	1.575	1.087	1.008	1.016	1.008						
1/1-12/31/00	1.314	1.022	1.000	1.036							
1/1-12/31/01	1.347	1.030	1.019								
1/1-12/31/02	1.391	1.094									
1/1-12/31/03	1.476										
Average	1.538	1.060	1.016	1.013	1.007	0.998	1.000	1.003	0.995	1.000	
Wtd Avg	1.522	1.057	1.015	1.014	1.007	0.998	1.000	1.003	0.995	1.000	
3 Yr Avg	1.405	1.049	1.009	1.023	1.009	0.989	1.000	1.006	0.993	1.000	
5 Yr Mid Avg	1.405	1.057	1.012	1.011	1.008	1.000	1.000	1.000	---	---	
Prior	1.440	1.050	1.015	1.010	1.008	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.480	1.055	1.015	1.010	1.008	1.000	1.000	1.000	1.000	1.000	1.000

C. CLAIM COUNT DEVELOPMENT FACTORS

12 to Months	24 to Months	36 to Months	48 to Months	60 to Months	72 to Months	84 to Months	96 to Months	108 to Months	120 to Months	132 to Months
1.613	1.090	1.033	1.018	1.008	1.000	1.000	1.000	1.000	1.000	1.000

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

ESTIMATED ULTIMATE CLAIM COUNT AND AVERAGE SEVERITY

(Limited to \$250,000)

(Including Claims Closed without Payment)

A. ESTIMATED ULTIMATE CLAIM COUNT

Policy Period	Reported Claims as of 12/31/04	Age of Policy Period in Months	Claim Count Development Factor	Estimated Ultimate Claim Count
1/1-12/31/92	110	156	1.000	110
1/1-12/31/93	132	144	1.000	132
1/1-12/31/94	124	132	1.000	124
1/1-12/31/95	140	120	1.000	140
1/1-12/31/96	123	108	1.000	123
1/1-12/31/97	87	96	1.000	87
1/1-12/31/98	119	84	1.000	119
1/1-12/31/99	129	72	1.000	129
1/1-12/31/00	142	60	1.008	143
1/1-12/31/01	106	48	1.018	108
1/1-12/31/02	70	36	1.033	72
1/1-12/31/03	93	24	1.090	101
1/1-12/31/04	60	12	1.613	97
Total	1,435			1,485

B. ESTIMATED ULTIMATE AVERAGE SEVERITY

Policy Period	Estimated Ultimate Incurred Losses	Estimated Ultimate Claim Count	Estimated Ultimate Average Severity
1/1-12/31/92	\$ 810,415	110	\$ 7,367
1/1-12/31/93	1,156,396	132	8,761
1/1-12/31/94	629,783	124	5,079
1/1-12/31/95	620,660	140	4,433
1/1-12/31/96	628,321	123	5,108
1/1-12/31/97	695,925	87	7,999
1/1-12/31/98	718,359	119	6,037
1/1-12/31/99	1,055,283	129	8,180
1/1-12/31/00	591,712	143	4,138
1/1-12/31/01	1,075,509	108	9,958
1/1-12/31/02	1,212,622	72	16,842
1/1-12/31/03	1,259,934	101	12,475
1/1-12/31/04	1,400,000	97	14,433
Total	\$11,854,919	1,485	

Appendix B, Exhibit III

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

AVERAGE SEVERITIES

(Unlimited Losses Including ALAE Gross of Recoveries)
(Including Claims Closed without Payment)

A. AVERAGE INCURRED SEVERITY

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92			6,765	7,064	7,134	7,327	7,503	7,593	7,426	7,426	7,426
1/1-12/31/93		6,053	5,512	8,042	8,413	7,877	7,804	7,804	7,786	7,786	7,808
1/1-12/31/94	3,687	3,879	4,069	4,243	5,764	6,315	4,870	4,869	4,869	4,869	5,125
1/1-12/31/95	1,495	3,825	3,293	4,929	4,201	3,965	4,010	4,100	3,891	4,441	
1/1-12/31/96	4,477	3,469	6,048	5,363	5,330	4,975	4,975	4,975	5,135		
1/1-12/31/97	1,570	3,555	9,056	6,490	6,503	7,581	8,320	9,400			
1/1-12/31/98	4,356	4,908	3,556	4,355	4,630	5,117	6,073				
1/1-12/31/99	4,518	7,735	6,742	7,227	7,711	8,503					
1/1-12/31/00	3,914	3,126	3,602	4,241	4,000						
1/1-12/31/01	3,193	4,412	7,472	9,293							
1/1-12/31/02	6,539	10,703	14,690								
1/1-12/31/03	7,072	8,266									
1/1-12/31/04	8,508										

B. AVERAGE PAID SEVERITY

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92			5,175	5,673	6,559	6,720	7,147	7,408	7,426	7,426	7,426
1/1-12/31/93		2,270	3,059	5,836	7,351	7,706	7,747	7,786	7,786	7,786	7,771
1/1-12/31/94	364	817	1,552	2,813	4,179	4,538	4,869	4,869	4,869	4,869	5,125
1/1-12/31/95	306	1,168	1,990	2,580	3,605	3,705	3,751	3,828	3,875	4,266	
1/1-12/31/96	1,314	1,754	4,180	4,709	4,931	4,975	4,975	4,975	5,135		
1/1-12/31/97	677	1,453	3,755	4,992	5,602	6,443	7,258	8,269			
1/1-12/31/98	525	1,467	2,045	4,008	4,199	4,488	5,333				
1/1-12/31/99	569	1,758	3,110	3,823	6,616	7,278					
1/1-12/31/00	680	1,094	1,886	3,606	3,679						
1/1-12/31/01	303	2,032	4,074	5,783							
1/1-12/31/02	1,888	6,938	10,416								
1/1-12/31/03	1,268	4,420									
1/1-12/31/04	751										

Appendix B, Exhibit IV

UTAH COUNTIES INSURANCE POOL

GENERAL LIABILITY

CLAIMS DISPOSED RATIOS

(Including Claims Closed without Payment)

A. CLOSED CLAIMS

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92			122	128	134	138	138	138	140	140	140
1/1-12/31/93		87	111	124	137	143	142	143	143	144	144
1/1-12/31/94	35	53	93	107	111	118	124	125	125	125	124
1/1-12/31/95	35	73	112	120	134	141	140	141	142	139	
1/1-12/31/96	33	79	101	113	119	121	121	121	123		
1/1-12/31/97	25	48	69	80	81	82	82	83			
1/1-12/31/98	33	68	107	112	118	119	115				
1/1-12/31/99	28	87	102	112	121	122					
1/1-12/31/00	65	104	112	128	138						
1/1-12/31/01	34	74	90	91							
1/1-12/31/02	21	46	54								
1/1-12/31/03	34	67									
1/1-12/31/04	18										

B. CLOSED / ESTIMATED ULTIMATE CLAIM COUNT

Policy Period	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	Estimated Ultimate Claim Count
1/1-12/31/92			1.109	1.164	1.218	1.255	1.255	1.255	1.273	1.273	1.273	110
1/1-12/31/93		0.659	0.841	0.939	1.038	1.083	1.076	1.083	1.083	1.091	1.091	132
1/1-12/31/94	0.282	0.427	0.750	0.863	0.895	0.952	1.000	1.008	1.008	1.008	1.000	124
1/1-12/31/95	0.250	0.521	0.800	0.857	0.957	1.007	1.000	1.007	1.014	0.993		140
1/1-12/31/96	0.268	0.642	0.821	0.919	0.967	0.984	0.984	0.984	1.000			123
1/1-12/31/97	0.287	0.552	0.793	0.920	0.931	0.943	0.943	0.954				87
1/1-12/31/98	0.277	0.571	0.899	0.941	0.992	1.000	0.966					119
1/1-12/31/99	0.217	0.674	0.791	0.868	0.938	0.946						129
1/1-12/31/00	0.455	0.727	0.783	0.895	0.965							143
1/1-12/31/01	0.315	0.685	0.833	0.843								108
1/1-12/31/02	0.292	0.639	0.750									72
1/1-12/31/03	0.337	0.663										101
1/1-12/31/04	0.186											97
												1,485
Average	0.288	0.615	0.834	0.921	0.989	1.021	1.032	1.049	1.076	1.091	1.121	
3 Yr Average	0.272	0.662	0.789	0.869	0.965	0.963	0.964	0.982	1.007	1.031	1.121	

Appendix B, Exhibit V

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

CLAIM COUNT DEVELOPMENT FACTORS
(Including Claims Closed without Payment)

A. REPORTED CLAIMS

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92			84	84	84	84	84	84	84	84	84
1/1-12/31/93		52	52	53	53	53	53	53	53	53	53
1/1-12/31/94	71	77	77	77	77	77	77	77	77	77	78
1/1-12/31/95	93	103	103	103	102	102	102	102	102	104	
1/1-12/31/96	37	50	50	47	48	48	48	48	48		
1/1-12/31/97	72	80	81	81	81	81	81	82			
1/1-12/31/98	99	107	108	110	110	110	108				
1/1-12/31/99	87	92	92	92	92	93					
1/1-12/31/00	93	96	96	96	96						
1/1-12/31/01	117	121	122	124							
1/1-12/31/02	75	78	77								
1/1-12/31/03	87	87									
1/1-12/31/04	120										

B. AGE-TO-AGE FACTORS

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to Ultimate
1/1-12/31/92			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/93		1.000	1.019	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/94	1.085	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.013	
1/1-12/31/95	1.108	1.000	1.000	0.990	1.000	1.000	1.000	1.000	1.020		
1/1-12/31/96	1.351	1.000	0.940	1.021	1.000	1.000	1.000	1.000			
1/1-12/31/97	1.111	1.013	1.000	1.000	1.000	1.000	1.012				
1/1-12/31/98	1.081	1.009	1.019	1.000	1.000	0.982					
1/1-12/31/99	1.057	1.000	1.000	1.000	1.011						
1/1-12/31/00	1.032	1.000	1.000	1.000							
1/1-12/31/01	1.034	1.008	1.016								
1/1-12/31/02	1.040	0.987									
1/1-12/31/03	1.000										
Average	1.090	1.002	0.999	1.001	1.001	0.997	1.002	1.000	1.005	1.004	
Wtd Avg	1.072	1.002	1.002	1.000	1.002	0.996	1.002	1.000	1.006	1.005	
3 Yr Avg	1.025	0.998	1.005	1.000	1.004	0.994	1.004	1.000	1.007	1.004	
5 Yr Mid Avg	1.035	1.003	1.005	1.000	1.000	1.000	1.000	1.000	---	---	
Prior	1.050	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.050	1.004	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

C. CLAIM COUNT DEVELOPMENT FACTORS

12 to Months	24 to Months	36 to Months	48 to Months	60 to Months	72 to Months	84 to Months	96 to Months	108 to Months	120 to Months	132 to Months
1.056	1.006	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

ESTIMATED ULTIMATE CLAIM COUNT AND AVERAGE SEVERITY

(Limited to \$250,000)

(Including Claims Closed without Payment)

A. ESTIMATED ULTIMATE CLAIM COUNT

Policy Period	Reported Claims as of 12/31/04	Age of Policy Period in Months	Claim Count Development Factor	Estimated Ultimate Claim Count
1/1-12/31/92	86	156	1.000	86
1/1-12/31/93	53	144	1.000	53
1/1-12/31/94	78	132	1.000	78
1/1-12/31/95	104	120	1.000	104
1/1-12/31/96	48	108	1.000	48
1/1-12/31/97	82	96	1.000	82
1/1-12/31/98	108	84	1.000	108
1/1-12/31/99	93	72	1.000	93
1/1-12/31/00	96	60	1.000	96
1/1-12/31/01	124	48	1.000	124
1/1-12/31/02	77	36	1.002	77
1/1-12/31/03	87	24	1.006	88
1/1-12/31/04	120	12	1.056	127
Total	1,156			1,164

B. ESTIMATED ULTIMATE AVERAGE SEVERITY

Policy Period	Estimated Ultimate Incurred Losses	Estimated Ultimate Claim Count	Estimated Ultimate Average Severity
1/1-12/31/92	\$ 168,156	86	\$ 1,955
1/1-12/31/93	276,698	53	5,221
1/1-12/31/94	423,180	78	5,425
1/1-12/31/95	153,038	104	1,472
1/1-12/31/96	63,078	48	1,314
1/1-12/31/97	234,319	82	2,858
1/1-12/31/98	263,091	108	2,436
1/1-12/31/99	142,777	93	1,535
1/1-12/31/00	330,637	96	3,444
1/1-12/31/01	687,072	124	5,541
1/1-12/31/02	191,658	77	2,489
1/1-12/31/03	577,065	88	6,558
1/1-12/31/04	722,282	127	5,687
Total	\$4,233,051	1,164	

Appendix B, Exhibit VII

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

AVERAGE SEVERITIES

(Unlimited Losses Including ALAE Gross of Recoveries)
(Including Claims Closed without Payment)

A. AVERAGE INCURRED SEVERITY

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92			1,948	1,948	1,973	2,047	2,047	2,047	2,047	2,047	2,047
1/1-12/31/93		5,256	4,947	5,136	5,200	5,278	5,230	5,230	5,230	5,230	5,230
1/1-12/31/94	3,384	5,640	5,347	5,499	5,499	5,493	5,493	5,493	5,493	5,493	5,425
1/1-12/31/95	1,679	1,764	1,514	1,674	1,585	1,585	1,585	1,585	1,585	1,533	
1/1-12/31/96	1,150	1,609	1,237	1,406	1,429	1,314	1,314	1,314	1,314		
1/1-12/31/97	2,989	3,225	3,352	3,340	2,858	2,857	2,857	2,859			
1/1-12/31/98	2,390	2,619	2,655	2,853	2,687	2,687	2,461				
1/1-12/31/99	1,670	1,405	1,405	1,405	1,405	1,551					
1/1-12/31/00	1,580	1,499	1,499	1,627	3,996						
1/1-12/31/01	3,716	5,317	5,633	6,104							
1/1-12/31/02		1,765	2,131								
1/1-12/31/03	4,743	5,464									
1/1-12/31/04	6,916										

B. AVERAGE PAID SEVERITY

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92			1,948	1,948	1,973	2,047	2,047	2,047	2,047	2,047	2,047
1/1-12/31/93		717	4,947	4,853	4,917	4,981	5,230	5,230	5,230	5,230	5,230
1/1-12/31/94	724	2,132	4,357	5,493	5,493	5,493	5,493	5,493	5,493	5,493	5,425
1/1-12/31/95	1,093	1,514	1,514	1,545	1,585	1,585	1,585	1,585	1,585	1,533	
1/1-12/31/96	802	722	1,176	1,270	1,254	1,314	1,314	1,314	1,314		
1/1-12/31/97	2,243	2,210	2,762	2,809	2,857	2,857	2,857	2,859			
1/1-12/31/98	1,238	1,542	1,656	2,061	2,687	2,687	2,461				
1/1-12/31/99	1,315	1,405	1,405	1,405	1,405	1,390					
1/1-12/31/00	772	911	927	1,019	3,996						
1/1-12/31/01	1,017	2,413	5,070	5,239							
1/1-12/31/02	1,263	1,802	2,200								
1/1-12/31/03	2,829	5,061									
1/1-12/31/04	5,295										

Appendix B, Exhibit VIII

UTAH COUNTIES INSURANCE POOL

AUTO LIABILITY

CLAIMS DISPOSED RATIOS

(Including Claims Closed without Payment)

A. CLOSED CLAIMS

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92			84	84	84	84	84	84	84	84	84
1/1-12/31/93		49	51	52	52	52	53	53	53	53	53
1/1-12/31/94	51	69	74	76	76	77	77	77	77	77	78
1/1-12/31/95	66	101	103	102	102	102	102	102	102	104	
1/1-12/31/96	35	45	49	46	47	48	48	48	48		
1/1-12/31/97	59	74	76	78	81	81	81	82			
1/1-12/31/98	74	99	102	104	110	110	108				
1/1-12/31/99	71	92	92	92	92	92					
1/1-12/31/00	76	94	94	95	96						
1/1-12/31/01	83	112	119	121							
1/1-12/31/02	54	75	76								
1/1-12/31/03	66	82									
1/1-12/31/04	100										

B. CLOSED / ESTIMATED ULTIMATE CLAIM COUNT

Policy Period	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	Estimated Ultimate Claim Count
1/1-12/31/92			0.977	0.977	0.977	0.977	0.977	0.977	0.977	0.977	0.977	86
1/1-12/31/93		0.925	0.962	0.981	0.981	0.981	1.000	1.000	1.000	1.000	1.000	53
1/1-12/31/94	0.654	0.885	0.949	0.974	0.974	0.987	0.987	0.987	0.987	0.987	1.000	78
1/1-12/31/95	0.635	0.971	0.990	0.981	0.981	0.981	0.981	0.981	0.981	1.000		104
1/1-12/31/96	0.729	0.938	1.021	0.958	0.979	1.000	1.000	1.000	1.000			48
1/1-12/31/97	0.720	0.902	0.927	0.951	0.988	0.988	0.988	1.000				82
1/1-12/31/98	0.685	0.917	0.944	0.963	1.019	1.019	1.000					108
1/1-12/31/99	0.763	0.989	0.989	0.989	0.989	0.989						93
1/1-12/31/00	0.792	0.979	0.979	0.990	1.000							96
1/1-12/31/01	0.669	0.903	0.960	0.976								124
1/1-12/31/02	0.701	0.974	0.987									77
1/1-12/31/03	0.750	0.932										88
1/1-12/31/04	0.787											127
												1,164
Average	0.717	0.938	0.971	0.974	0.988	0.990	0.990	0.991	0.989	0.991	0.992	
3 Yr Average	0.746	0.936	0.975	0.985	1.003	0.999	0.996	0.994	0.989	0.996	0.992	

UTAH COUNTIES INSURANCE POOL

PROPERTY

CLAIM COUNT DEVELOPMENT FACTORS
(Including Claims Closed without Payment)

A. REPORTED CLAIMS

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92			83	83	83	83	83	83	83	83	83
1/1-12/31/93		132	132	132	132	132	132	132	132	132	132
1/1-12/31/94	168	175	175	175	175	175	175	175	175	175	174
1/1-12/31/95	65	72	72	74	74	74	74	74	74	76	
1/1-12/31/96	80	89	89	92	92	92	92	92	91		
1/1-12/31/97	60	63	63	63	63	63	63	63			
1/1-12/31/98	90	93	94	94	94	94	96				
1/1-12/31/99	85	94	94	94	94	93					
1/1-12/31/00	92	98	99	99	98						
1/1-12/31/01	147	154	154	150							
1/1-12/31/02	138	142	143								
1/1-12/31/03	102	106									
1/1-12/31/04	124										

B. AGE-TO-AGE FACTORS

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	120 to 132 Months	132 to Ultimate
1/1-12/31/92			1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/93		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1/1-12/31/94	1.042	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.994	
1/1-12/31/95	1.108	1.000	1.028	1.000	1.000	1.000	1.000	1.000	1.027		
1/1-12/31/96	1.113	1.000	1.034	1.000	1.000	1.000	1.000	0.989			
1/1-12/31/97	1.050	1.000	1.000	1.000	1.000	1.000	1.000				
1/1-12/31/98	1.033	1.011	1.000	1.000	1.000	1.021					
1/1-12/31/99	1.106	1.000	1.000	1.000	0.989						
1/1-12/31/00	1.065	1.010	1.000	0.990							
1/1-12/31/01	1.048	1.000	0.974								
1/1-12/31/02	1.029	1.007									
1/1-12/31/03	1.039										
Average	1.063	1.003	1.004	0.999	0.999	1.003	1.000	0.998	1.007	0.998	
Wtd Avg	1.057	1.003	1.001	0.999	0.999	1.003	1.000	0.998	1.004	0.997	
3 Yr Avg	1.039	1.006	0.991	0.997	0.996	1.007	1.000	0.996	1.009	0.998	
5 Yr Mid Avg	1.051	1.006	1.000	1.000	1.000	1.000	1.000	1.000	---	---	
Prior	1.050	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	1.050	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

C. CLAIM COUNT DEVELOPMENT FACTORS

12 to Months	24 to Months	36 to Months	48 to Months	60 to Months	72 to Months	84 to Months	96 to Months	108 to Months	120 to Months	132 to Months
1.053	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

UTAH COUNTIES INSURANCE POOL

PROPERTY

ESTIMATED ULTIMATE CLAIM COUNT AND AVERAGE SEVERITY

(Limited to \$150,000)

(Including Claims Closed without Payment)

A. ESTIMATED ULTIMATE CLAIM COUNT

Policy Period	Reported Claims as of 12/31/04	Age of Policy Period in Months	Claim Count Development Factor	Estimated Ultimate Claim Count
1/1-12/31/92	84	156	1.000	84
1/1-12/31/93	133	144	1.000	133
1/1-12/31/94	174	132	1.000	174
1/1-12/31/95	76	120	1.000	76
1/1-12/31/96	91	108	1.000	91
1/1-12/31/97	63	96	1.000	63
1/1-12/31/98	96	84	1.000	96
1/1-12/31/99	93	72	1.000	93
1/1-12/31/00	98	60	1.000	98
1/1-12/31/01	150	48	1.000	150
1/1-12/31/02	143	36	1.000	143
1/1-12/31/03	106	24	1.003	106
1/1-12/31/04	124	12	1.053	131
Total	1,431			1,438

B. ESTIMATED ULTIMATE AVERAGE SEVERITY

Policy Period	Estimated Ultimate Incurred Losses	Estimated Ultimate Claim Count	Estimated Ultimate Average Severity
1/1-12/31/92	\$ 92,204	84	\$ 1,098
1/1-12/31/93	166,850	133	1,255
1/1-12/31/94	420,367	174	2,416
1/1-12/31/95	90,673	76	1,193
1/1-12/31/96	208,312	91	2,289
1/1-12/31/97	220,816	63	3,505
1/1-12/31/98	417,927	96	4,353
1/1-12/31/99	382,511	93	4,113
1/1-12/31/00	197,463	98	2,015
1/1-12/31/01	409,006	150	2,727
1/1-12/31/02	371,186	143	2,596
1/1-12/31/03	341,112	106	3,218
1/1-12/31/04	522,407	131	3,988
Total	\$3,840,834	1,438	

UTAH COUNTIES INSURANCE POOL

PROPERTY

AVERAGE SEVERITIES

(Unlimited Losses Including ALAE Gross of Recoveries)
(Including Claims Closed without Payment)

A. AVERAGE INCURRED SEVERITY

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92			1,330	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285
1/1-12/31/93		1,985	1,896	1,881	1,883	1,883	1,883	1,883	1,883	1,883	1,883
1/1-12/31/94	3,122	2,965	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,848
1/1-12/31/95	1,804	1,562	1,555	1,498	1,498	1,498	1,498	1,498	1,498	1,443	
1/1-12/31/96	2,529	2,708	2,728	2,666	2,634	2,634	2,598	2,598	2,527		
1/1-12/31/97	3,689	3,612	3,612	3,612	3,612	3,612	3,612	3,612			
1/1-12/31/98	5,021	5,028	5,029	5,029	5,029	5,029	5,204				
1/1-12/31/99	7,316	4,530	4,530	4,391	4,444	4,444					
1/1-12/31/00	2,188	2,393	2,380	2,396	2,413						
1/1-12/31/01	3,187	3,033	3,033	3,079							
1/1-12/31/02	2,861	2,908	2,888								
1/1-12/31/03	4,283	3,984									
1/1-12/31/04	4,488										

B. AVERAGE PAID SEVERITY

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92			1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285	1,285
1/1-12/31/93		1,873	1,881	1,881	1,883	1,883	1,883	1,883	1,883	1,883	1,883
1/1-12/31/94	1,688	1,880	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,848
1/1-12/31/95	1,264	1,479	1,479	1,498	1,498	1,498	1,498	1,498	1,498	1,443	
1/1-12/31/96	1,993	2,548	2,712	2,634	2,634	2,634	2,598	2,598	2,527		
1/1-12/31/97	3,483	3,612	3,612	3,612	3,612	3,612	3,612	3,612			
1/1-12/31/98	4,821	4,980	4,977	4,982	4,984	4,992	5,204				
1/1-12/31/99	3,811	4,391	4,391	4,391	4,396	4,444					
1/1-12/31/00	2,098	2,383	2,376	2,396	2,413						
1/1-12/31/01	2,465	3,033	3,033	3,079							
1/1-12/31/02	2,384	2,908	2,888								
1/1-12/31/03	3,720	3,984									
1/1-12/31/04	3,342										

Appendix B, Exhibit XII

UTAH COUNTIES INSURANCE POOL

PROPERTY

CLAIMS DISPOSED RATIOS

(Including Claims Closed without Payment)

A. CLOSED CLAIMS

Policy Period	Age of Policy Period in Months										
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92			81	82	82	82	82	83	83	83	83
1/1-12/31/93		128	129	131	131	131	131	131	131	132	132
1/1-12/31/94	137	171	175	175	175	175	175	175	175	175	174
1/1-12/31/95	50	70	70	73	74	74	74	74	74	76	
1/1-12/31/96	58	82	87	90	92	92	92	92	91		
1/1-12/31/97	51	63	63	63	63	63	63	63			
1/1-12/31/98	73	90	93	93	93	93	96				
1/1-12/31/99	61	91	91	93	93	93					
1/1-12/31/00	80	95	98	99	98						
1/1-12/31/01	129	152	153	149							
1/1-12/31/02	118	140	143								
1/1-12/31/03	86	106									
1/1-12/31/04	98										

B. CLOSED / ESTIMATED ULTIMATE CLAIM COUNT

Policy Period	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	Estimated Ultimate Claim Count
1/1-12/31/92			0.964	0.976	0.976	0.976	0.976	0.988	0.988	0.988	0.988	84
1/1-12/31/93		0.962	0.970	0.985	0.985	0.985	0.985	0.985	0.985	0.992	0.992	133
1/1-12/31/94	0.787	0.983	1.006	1.006	1.006	1.006	1.006	1.006	1.006	1.006	1.000	174
1/1-12/31/95	0.658	0.921	0.921	0.961	0.974	0.974	0.974	0.974	0.974	1.000		76
1/1-12/31/96	0.637	0.901	0.956	0.989	1.011	1.011	1.011	1.011	1.000			91
1/1-12/31/97	0.810	1.000	1.000	1.000	1.000	1.000	1.000	1.000				63
1/1-12/31/98	0.760	0.938	0.969	0.969	0.969	0.969	1.000					96
1/1-12/31/99	0.656	0.978	0.978	1.000	1.000	1.000						93
1/1-12/31/00	0.816	0.969	1.000	1.010	1.000							98
1/1-12/31/01	0.860	1.013	1.020	0.993								150
1/1-12/31/02	0.825	0.979	1.000									143
1/1-12/31/03	0.811	1.000										106
1/1-12/31/04	0.748											131
												1,438
Average	0.761	0.968	0.980	0.989	0.991	0.990	0.993	0.994	0.991	0.997	0.993	
3 Yr Average	0.795	0.997	1.007	1.001	0.990	0.990	1.004	0.995	0.993	0.999	0.993	

UTAH COUNTIES INSURANCE POOL

APPENDIX C

ESTIMATED ULAE RESERVE

Appendix C

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

ESTIMATED ULAE RESERVE

A. CLOSED CLAIMS

Policy Period	Age of Policy Period											Estimated Ultimate Claim Count
	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	
1/1-12/31/94	223	293	342	358	362	370	376	377	377	377	376	376
1/1-12/31/95	151	244	285	295	310	317	316	317	318	319		320
1/1-12/31/96	126	206	237	249	258	261	261	261	262			262
1/1-12/31/97	135	185	208	221	225	226	226	228				232
1/1-12/31/98	180	257	302	309	321	322	319					323
1/1-12/31/99	160	270	285	297	306	307						315
1/1-12/31/00	221	293	304	322	332							337
1/1-12/31/01	246	338	362	361								382
1/1-12/31/02	193	261	273									292
1/1-12/31/03	186	255										295
1/1-12/31/04	216											355
												3,489

B. OPEN AND IBNR CLAIMS / ESTIMATED ULTIMATE CLAIM COUNT

Policy Period	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/94	0.407	0.221	0.090	0.048	0.037	0.016	0.000	-0.003	-0.003	-0.003	0.000
1/1-12/31/95	0.528	0.238	0.109	0.078	0.031	0.009	0.013	0.009	0.006	0.003	
1/1-12/31/96	0.519	0.214	0.095	0.050	0.015	0.004	0.004	0.004	0.000		
1/1-12/31/97	0.418	0.203	0.103	0.047	0.030	0.026	0.026	0.017			
1/1-12/31/98	0.443	0.204	0.065	0.043	0.006	0.003	0.012				
1/1-12/31/99	0.492	0.143	0.095	0.057	0.029	0.025					
1/1-12/31/00	0.344	0.131	0.098	0.045	0.015						
1/1-12/31/01	0.356	0.115	0.052	0.055							
1/1-12/31/02	0.339	0.106	0.065								
1/1-12/31/03	0.369	0.136									
1/1-12/31/04	0.392										
Average	0.419	0.171	0.086	0.053	0.023	0.014	0.011	0.007	0.001	0.000	0.000
3 Yr Avg	0.367	0.119	0.072	0.052	0.017	0.018	0.014	0.010	0.001	---	---
5 Yr Mid Avg	0.356	0.127	0.075	0.049	0.020	0.013	0.010	---	---	---	---
Selected	0.360	0.130	0.080	0.050	0.020	0.013	0.010	0.007	0.005	0.003	0.000

Appendix C (Continued)

UTAH COUNTIES INSURANCE POOL

ALL COVERAGES

ESTIMATED ULAE RESERVE

C. ESTIMATED OPEN CLAIMS AND IBNR CLAIMS

Policy Period	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months
1/1-12/31/92											
1/1-12/31/93											
1/1-12/31/94											0
1/1-12/31/95										1	0
1/1-12/31/96									0	0	0
1/1-12/31/97								4	3	2	0
1/1-12/31/98							4	3	2	1	0
1/1-12/31/99						8	6	4	3	2	0
1/1-12/31/00					5	3	3	2	1	1	0
1/1-12/31/01				21	8	5	4	3	2	1	0
1/1-12/31/02			19	12	5	3	2	2	1	1	0
1/1-12/31/03		40	25	15	6	4	3	2	2	1	0
1/1-12/31/04	139	50	31	19	8	5	4	3	2	1	0

D. ESTIMATED ULAE RESERVE*

Policy Period	12 to 24 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months	60 to 72 Months	72 to 84 Months	84 to 96 Months	96 to 108 Months	108 to 120 Months	108 to 120 Months	108 to 120 Months	Total
1/1-12/31/92												
1/1-12/31/93												
1/1-12/31/94											0	\$ 0
1/1-12/31/95										300	0	300
1/1-12/31/96									0	0	0	0
1/1-12/31/97								1,200	900	600	0	2,700
1/1-12/31/98							1,200	900	600	300	0	3,000
1/1-12/31/99						2,400	1,800	1,200	900	600	0	6,900
1/1-12/31/00					1,500	900	900	600	300	300	0	4,500
1/1-12/31/01				6,300	2,400	1,500	1,200	900	600	300	0	13,200
1/1-12/31/02			5,700	3,600	1,500	900	600	600	300	300	0	13,500
1/1-12/31/03		12,000	7,500	4,500	1,800	1,200	900	600	600	300	0	29,400
1/1-12/31/04	41,700	15,000	9,300	5,700	2,400	1,500	1,200	900	600	300	0	78,600
Total	41,700	27,000	22,500	20,100	9,600	8,400	7,800	6,900	4,800	3,300	0	\$152,100

* Estimated by UCIP to equal \$300 per open claim per year.

UTAH COUNTIES INSURANCE POOL - WORKERS COMPENSATION

ACTUARIAL REPORT

*Estimated Required Reserves
as of 12/31/04*

January 31, 2005

Mr. Lester J. Nixon, CPCU
Director, Utah Counties Insurance Pool
5397 South Vine Street
Salt Lake City, UT 84107

Dear Mr. Nixon:

Enclosed are one unbound and two bound copies of the actuarial report prepared for the Utah Counties Insurance Pool's (UCIP's) workers compensation program at your request. This report estimates the required reserves as of 12/31/04 for claims incurred during the 1/1-12/31/04 policy period.

The estimates contained in this report are based on data provided by UCIP and Alternative Service Concepts, LLC. These data and the associated assumptions should be reviewed for their consistency with the internal records of UCIP. Any discrepancy in the completeness, interpretation, or accuracy of the information used may require a revision to this report.

If you have any questions, please call or write. It is a pleasure to be of service to UCIP.

Sincerely,

Lisa Dennison, FCAS, FCA, MAAA
President and Consulting Actuary

Jeffrey S. McSweeney
Vice President and Consulting Actuary

enclosure

UTAH COUNTIES INSURANCE POOL - WORKERS COMPENSATION

ACTUARIAL REPORT

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UTAH COUNTIES INSURANCE POOL - WORKERS COMPENSATION

ACTUARIAL REPORT

PURPOSE

By the Numbers Actuarial Consulting, Inc. (BYNAC) prepared this actuarial report to present a professional analysis of the workers compensation required reserves retained by the Utah Counties Insurance Pool (UCIP-WC) as of 12/31/04 for claims incurred from 1/1/04 through 12/31/04. The required reserves are estimated excluding and including the effects of anticipated investment income earned on the reserves until they are paid.

The estimated required reserves are based on estimates of ultimate incurred losses. Ultimate incurred losses are defined to be the amounts that will be paid to settle all claims occurring during a policy period. These estimates include a provision for the subsequent development of known claims and for claims incurred but not yet reported. Incurred but not reported (IBNR) losses are defined throughout this report to include the additional development on known claims in addition to claims incurred but not yet reported.

FINDINGS

The findings are the product of loss experience, actuarial assumptions, quantitative analysis, and professional judgment. The estimated required reserves are expressed in terms of ranges that indicate the reliance on assumptions believed to be reasonable and are subject to all the limitations expressed herein.

The required reserves shown in the following table should be used for financial statement reporting as of that date. However, until all the claims that occurred on or before 12/31/04 are closed, the actual reserve need remains an estimate. While the experience of UCIP-WC indicates that the required reserves will fall within the range established in this report, the possibility exists that extraordinary or unexpected circumstances could cause the actual reserve need to be less than or greater than the range. Therefore, the findings cannot be warranted or guaranteed.

**ESTIMATED LOSS AND ALAE RESERVES
INCLUDING IBNR FOR 1/1-12/31/04 AS OF 12/31/04**
(Limited to Specific Retention)

	<u>Low</u>	<u>Expected</u>	<u>High</u>
Undiscounted for Investment Income	\$ 360,000	\$ 580,000	\$ 790,000
Discounted at 3.0% per Annum	340,000	550,000	740,000

The range shown is judgmental and not intended to establish absolute minimums or maximums on the estimates, but rather to depict a reasonable range for the establishment of loss reserves in this particular situation. Figure 1 contains a graphical representation of UCIP-WC's estimated retained loss experience as of 12/31/04 including the undiscounted expected loss reserves.

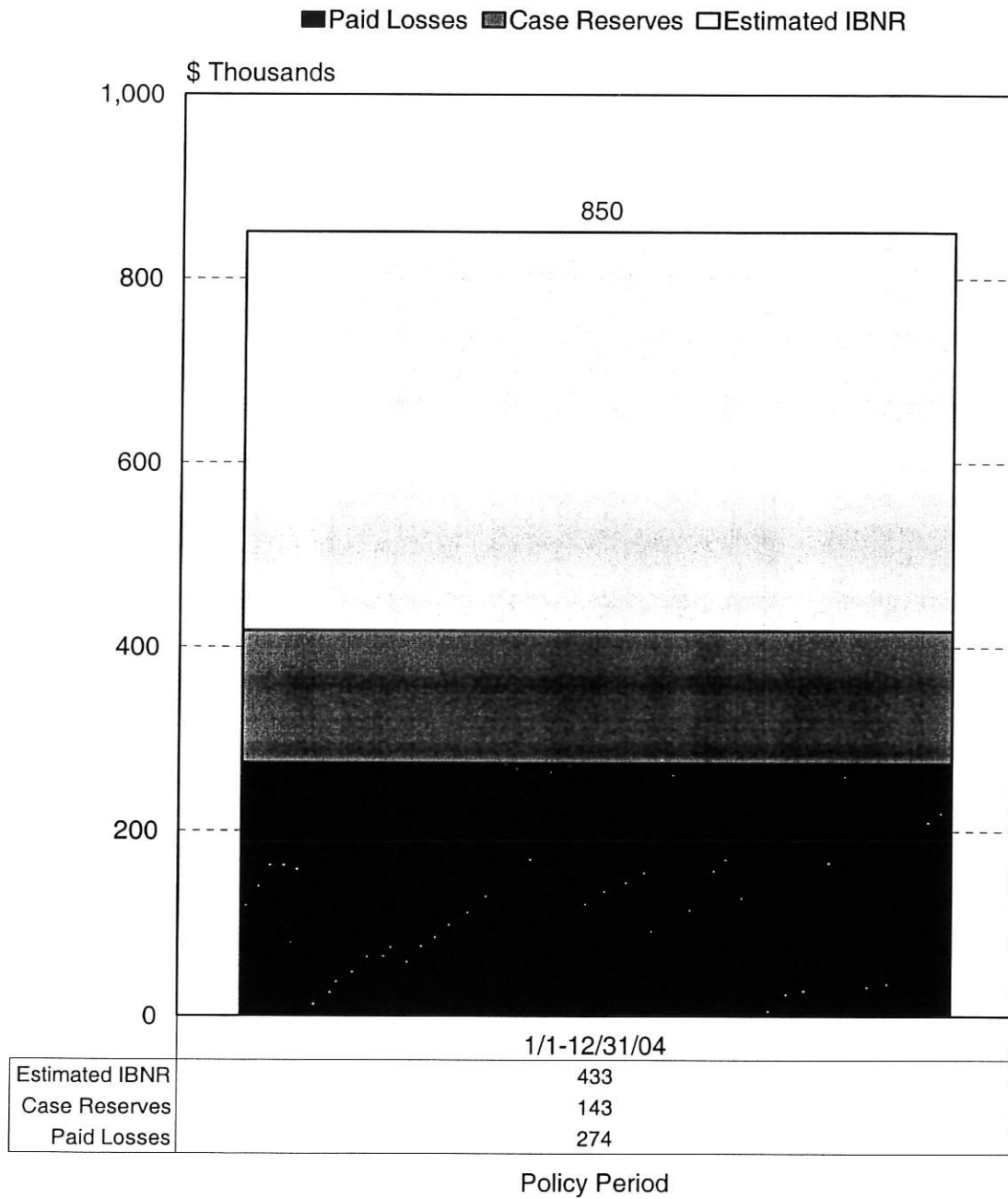
As noted, the reserves are estimated on both undiscounted and discounted for investment income bases. UCIP provided the discount rate of 3.0% per year. Establishing loss reserves on a discounted basis requires that future investment income earned on the loss reserves be added to the reserves to strengthen them rather than recognized as net income. It also assumes that assets equal to the present value of the reserves are available for investment as of the 12/31/04 evaluation date. The accuracy of discounted reserves depends upon the accuracy of the undiscounted estimates, the estimated payout schedule, and the interest rate assumption used to discount the loss payout schedule. If the discounted estimate is used, the management of UCIP-WC should carefully review each of these assumptions to assure that they are in agreement with them.

Figure 1

UTAH COUNTIES INSURANCE POOL

WORKERS COMPENSATION

ESTIMATED RETAINED LOSSES AS OF 12/31/04



ASSUMPTIONS

DEFINITIONS

Losses in this report include ALAE. ALAE are those expenses that can be directly attributed to a specific claim, such as litigation costs. Loss adjustment expenses that cannot be directly associated with an individual claim are known as ULAE. Reserves for unearned premiums, unpaid administrative expenses, contingencies, catastrophes, or future premium deficiencies are not included in the estimates.

HISTORICAL INFORMATION

For the period under review, UCIP-WC has assumed its members' losses according to the Utah workers compensation statutes. Utah experience published by the National Council on Compensation Insurance, Inc. (NCCI) in the 2004 *Annual Statistical Bulletin* has been utilized to estimate the ultimate incurred losses due to the immaturity of the program. This methodology assumes that the industry development patterns are indicative of the future development expected for the period considered.

All data are based on information provided by UCIP-WC and Alternative Service Concepts, LLC (ASC). The 12/31/04 loss run is used as the basis for the current evaluation of loss. These data are reviewed for reasonableness and used without audit.

RETENTIONS

BYNAC's understanding of the specific retention is summarized in the following table. ALAE is included in the retention. As of 12/31/04, no claims are reported in excess of the specific retention.

SUMMARY OF RETENTIONS

<u>Policy Period</u>	<u>Specific Retention</u>
1/1-12/31/04	\$ 300,000

It is assumed that the excess insurance will be collectible on all claims that ultimately develop beyond the retentions. An analysis of the collectibility of the excess insurance is beyond the scope of this report.

RESERVE ANALYSIS

OVERVIEW

To estimate the required reserves, it is first necessary to estimate the ultimate value of the prior period based on the current evaluation of loss after limiting the losses to the appropriate retention. Required reserves are estimated as the difference between the ultimate incurred and paid losses. Industry experience is used to predict when the required reserves will be paid so that the losses may be discounted to their present value.

Four procedures are used to estimate the ultimate incurred losses to provide a check for reasonableness and consistency. Following is a brief description of each method and the circumstances under which each works best.

Incurred loss development is the most widely used method of estimating ultimate incurred losses. By using the reserves on a claim-by-claim basis, the most recent claims adjusters' estimates are included in the analysis in addition to the cumulative paid losses. Inherent in the incurred loss development technique is the assumption that there are no changes in reserving practices.

A paid loss approach attempts to eliminate distortions that can occur in incurred methods when there is a suspected change in reserving procedures. Inherent in paid loss development techniques is the assumption that there are no changes in claims settlement practices.

The separate development of incurred medical and indemnity losses recognizes the differing development pattern of each type of loss and its unique mix. This method is subject to the considerations discussed for the incurred method.

The last method, the separate development of paid medical and indemnity losses, is subject to similar considerations as the previous two approaches.

INCURRED LOSS DEVELOPMENT

The ultimate cost of claims incurred for a specific time period is usually not known until several years after the close of that period. Loss development factors project the additional cost expected on claims. These factors quantify the late developing aspects of certain losses, such as claims involving medical complications not recognized in the early stages of treatment or verdict values for litigated claims that are different than the amount previously reserved to pay the claims. They also account for losses that occurred during the policy period but are not reported until a later date.

Incurred losses limited to the specific retention are shown in Section A of Table 1. No claims are reported in excess of the specific retention as of 12/31/04. Ultimate incurred losses are estimated by multiplying the limited incurred losses by the loss development factor. For example, limited incurred losses for the 1/1-12/31/04 period evaluated at \$417,675 on 12/31/04 are estimated to ultimately cost \$729,678 ($\$417,675 \times 1.747$). The loss development factor of 1.747 means that the losses are expected to ultimately cost 74.7% more than incurred losses evaluated on 12/31/04.

Table 1

UTAH COUNTIES INSURANCE POOL**WORKERS COMPENSATION**

**ESTIMATED ULTIMATE INCURRED LOSSES
INCURRED AND PAID LOSS DEVELOPMENT**
(Losses Including ALAE Limited to \$300,000)

A. INCURRED LOSS DEVELOPMENT

<u>Policy Period</u>	<u>Incurred Losses as of 12/31/04</u>	<u>Age of Policy Period in Months</u>	<u>NCCI-UT Incurred Loss Development Factor</u>	<u>Estimated Ultimate Incurred Losses</u>
1/1-12/31/04	\$ 417,675	12	1.747	\$ 729,678

B. PAID LOSS DEVELOPMENT

<u>Policy Period</u>	<u>Paid Losses as of 12/31/04</u>	<u>Age of Policy Period in Months</u>	<u>NCCI-UT Paid Loss Development Factor</u>	<u>Estimated Ultimate Incurred Losses</u>
1/1-12/31/04	\$ 274,210	12	3.466	\$ 950,412

PAID LOSS DEVELOPMENT

The paid loss procedure employs an analysis similar to the previous method, but based on paid loss data. This estimation technique is not influenced by changes in the loss reserve estimates of the adjusters. However, larger development factors are required at a given age than the incurred method. This analysis is shown in Section B of Table 1.

INCURRED MEDICAL/INDEMNITY DEVELOPMENT

This method develops incurred medical and indemnity losses separately. Incurred medical and indemnity losses are developed to their estimated ultimate incurred value in Sections A and B, respectively, of Table 2. Total ultimate incurred losses are estimated in Section C by adding the estimated ultimate incurred medical and indemnity losses.

PAID MEDICAL/INDEMNITY DEVELOPMENT

Paid medical and indemnity losses are developed separately to their estimated ultimate value in Table 3.

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

The results of the methods are compared in Section A of Table 4, and the ultimate incurred losses are selected. An average is selected since no method is deemed biased. The selection procedure is depicted in Figure 2.

ESTIMATED REQUIRED RESERVES

Estimated ultimate incurred, incurred, and paid losses are summarized in Section B of Table 4. Case reserves are then shown as the difference between the estimated incurred and paid losses as

Table 2

UTAH COUNTIES INSURANCE POOL**WORKERS COMPENSATION**

ESTIMATED ULTIMATE INCURRED LOSSES
INCURRED MEDICAL/INDEMNITY DEVELOPMENT
(Losses Including ALAE Limited to \$300,000)

A. ESTIMATED ULTIMATE INCURRED MEDICAL LOSSES

<u>Policy Period</u>	<u>Incurred Medical Losses as of 12/31/04</u>	<u>Age of Policy Period in Months</u>	<u>NCCI-UT Incurred Medical Development Factor</u>	<u>Estimated Ultimate Medical Losses</u>
1/1-12/31/04	\$ 309,260	12	1.812	\$ 560,379

B. ESTIMATED ULTIMATE INCURRED INDEMNITY LOSSES

<u>Policy Period</u>	<u>Incurred Indemnity Losses as of 12/31/04</u>	<u>Age of Policy Period in Months</u>	<u>NCCI-UT Incurred Indemnity Development Factor</u>	<u>Estimated Ultimate Indemnity Losses</u>
1/1-12/31/04	\$ 108,415	12	1.740	\$ 188,642

C. ESTIMATED ULTIMATE INCURRED LOSSES

<u>Policy Period</u>	<u>Estimated Ultimate Medical Losses</u>	<u>Estimated Ultimate Indemnity Losses</u>	<u>Estimated Ultimate Incurred Losses</u>
1/1-12/31/04	\$ 560,379	\$ 188,642	\$ 749,021

Table 3

UTAH COUNTIES INSURANCE POOL**WORKERS COMPENSATION**

ESTIMATED ULTIMATE INCURRED LOSSES
PAID MEDICAL/INDEMNITY DEVELOPMENT
(Losses Including ALAE Limited to \$300,000)

A. ESTIMATED ULTIMATE INCURRED MEDICAL LOSSES

<u>Policy Period</u>	<u>Paid Medical Losses as of 12/31/04</u>	<u>Age of Policy Period in Months</u>	<u>NCCI-UT Paid Medical Development Factor</u>	<u>Estimated Ultimate Medical Losses</u>
1/1-12/31/04	\$ 217,955	12	3.391	\$ 739,085

B. ESTIMATED ULTIMATE INCURRED INDEMNITY LOSSES

<u>Policy Period</u>	<u>Paid Indemnity Losses as of 12/31/04</u>	<u>Age of Policy Period in Months</u>	<u>NCCI-UT Paid Indemnity Development Factor</u>	<u>Estimated Ultimate Indemnity Losses</u>
1/1-12/31/04	\$ 56,255	12	4.153	\$ 233,627

C. ESTIMATED ULTIMATE INCURRED LOSSES

<u>Policy Period</u>	<u>Estimated Ultimate Medical Losses</u>	<u>Estimated Ultimate Indemnity Losses</u>	<u>Estimated Ultimate Incurred Losses</u>
1/1-12/31/04	\$ 739,085	\$ 233,627	\$ 972,712

Table 4

UTAH COUNTIES INSURANCE POOL

WORKERS COMPENSATION

ESTIMATED REQUIRED RESERVES AS OF 12/31/04

(Losses Including ALAE Limited to \$300,000)

A. SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

<u>Policy Period</u>	<u>Incurred Loss Development</u>	<u>Paid Loss Development</u>	<u>Incurred Medical Indemnity</u>	<u>Paid Medical Indemnity</u>	<u>Selected Estimated Ultimate Incurred Losses</u>
1/1-12/31/04	\$ 729,678	\$ 950,412	\$ 749,021	\$ 972,712	\$ 850,456 *

B. ESTIMATED REQUIRED RESERVES AS OF 12/31/04

<u>Policy Period</u>	<u>Selected Estimated Ultimate Incurred Losses</u>	<u>Incurred Losses as of 12/31/04</u>	<u>Paid Losses as of 12/31/04</u>	<u>Case Reserves as of 12/31/04</u>	<u>Estimated IBNR as of 12/31/04</u>	<u>Estimated Required Reserves as of 12/31/04</u>
1/1-12/31/04	\$ 850,456	\$ 417,675	\$ 274,210	\$ 143,465	\$ 432,781	\$ 576,246

* Selected the average.

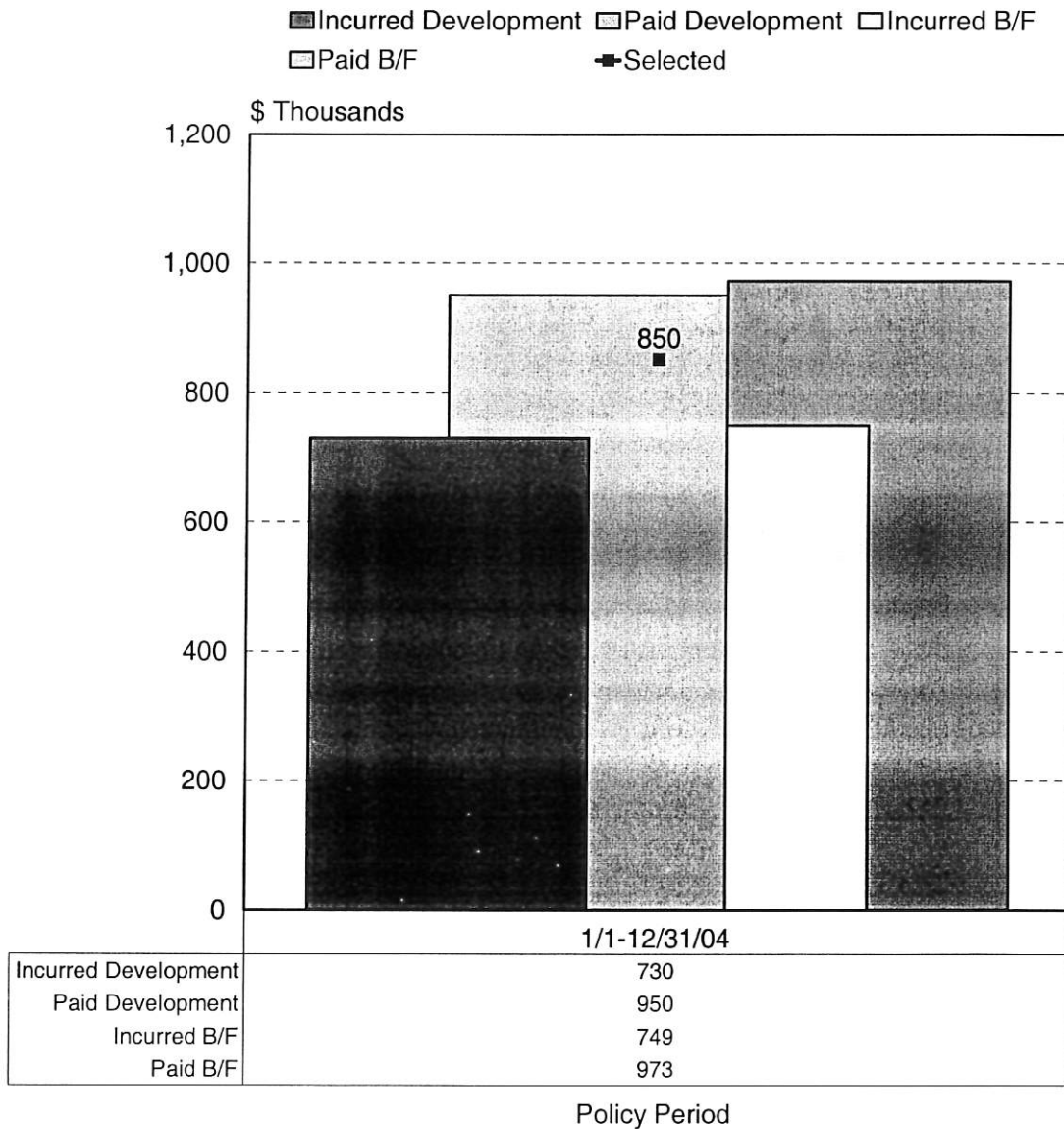
Figure 2

UTAH COUNTIES INSURANCE POOL

WORKERS COMPENSATION

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

(Losses Including ALAE Limited to \$300,000)



of 12/31/04. IBNR is estimated as the difference between the estimated ultimate incurred losses and incurred losses. The total required reserves as of 12/31/04 are then estimated by adding the case reserves and IBNR or by subtracting paid losses from the estimated ultimate incurred losses.

DISCOUNTED ESTIMATED REQUIRED RESERVES

In Section A of Table 5, the undiscounted reserves are assigned to the period in which they are expected to be paid based on an industry payout schedule. In Section B, the payments expected during the future periods are discounted at 3.0% per annum. The payments are assumed to be in the middle of each period. The investment income expected to be earned on the loss reserves is estimated in Section C.

Table 5

UTAH COUNTIES INSURANCE POOL**WORKERS COMPENSATION****DISCOUNTED ESTIMATED REQUIRED RESERVES AS OF 12/31/04**

(Limited to Specific Retention)

A. ESTIMATED AMOUNT PAID IN INTERVAL*

Policy Period	1/1/05- 12/31/05	1/1/06- 12/31/06	1/1/07- 12/31/07	1/1/08- 12/31/08	1/1/09- 12/31/09	1/1/10- 12/31/10	1/1/11- 12/31/11	Total
1/1-12/31/04	\$317,340	\$103,383	\$ 53,040	\$ 40,454	\$ 22,474	\$ 18,879	\$ 20,677	\$ 576,246

B. ESTIMATED AMOUNT PAID DISCOUNTED AT 3.0% PER ANNUM#

Policy Period	1/1/05- 12/31/05	1/1/06- 12/31/06	1/1/07- 12/31/07	1/1/08- 12/31/08	1/1/09- 12/31/09	1/1/10- 12/31/10	1/1/11- 12/31/11	Total
1/1-12/31/04	\$312,684	\$ 98,899	\$ 49,262	\$ 36,478	\$ 19,675	\$ 16,046	\$ 17,062	\$ 550,106

C. ESTIMATED INVESTMENT INCOME EARNED ON THE LOSS RESERVES

Policy Period	1/1/05- 12/31/05	1/1/06- 12/31/06	1/1/07- 12/31/07	1/1/08- 12/31/08	1/1/09- 12/31/09	1/1/10- 12/31/10	1/1/11- 12/31/11	Total
1/1-12/31/04	\$ 4,656	\$ 4,484	\$ 3,778	\$ 3,976	\$ 2,799	\$ 2,833	\$ 3,615	\$ 26,140

* Based on the NCCI payout schedule for Utah accelerated to an eight-year payout.

QUALIFICATIONS AND LIMITATIONS

The estimates contained in this report depend upon the following:

- The actuarial assumptions, quantitative analysis, and professional judgment expressed in this report.
- The reliability of loss experience to serve as an indicator of future losses.
- The completeness and accuracy of data provided by UCIP-WC and ASC.
- The completeness and accuracy of the discussion of UCIP-WC's excess insurance expressed in this report.
- The appropriateness of the discount rate.

The information used in this report should be reviewed for its consistency and accuracy with the internal records of UCIP-WC. Material changes in any of the assumptions or information upon which the findings are based will require a re-evaluation of the results of this report and a possible revision of those findings.

The quantitative methodologies and actuarial factors used in this report are specifically developed for the losses and time period described above and may not be appropriate for any other losses or periods. As UCIP-WC's loss experience matures and new business is written, it is important to update this analysis at least annually. Such a report should review changes in the prior period's losses as well as any new information that might become available.

This report is intended for the use of UCIP-WC and its auditors, service providers, and regulators. If the report is released to any third party, it should be released in its entirety. Please advise BYNAC if this report is distributed to any other third party.

CONSULTATION

The professional opinion given in this report is based on the judgment and experience of BYNAC. An analysis by another actuary may not arrive at the same conclusion. In the event that another actuary is consulted regarding the findings of this report, both actuaries should make themselves available for supplemental advice and consultation.

UTAH COUNTIES INSURANCE POOL - WORKERS COMPENSATION

APPENDIX A

INCURRED LOSSES \$25,000 AND GREATER

Appendix A

UTAH COUNTIES INSURANCE POOL

WORKERS COMPENSATION

INCURRED CLAIMS \$25,000 AND GREATER

<u>Claimant</u>	<u>Accident Date</u>	<u>Status</u>	<u>Incurred Loss and ALAE of 12/31/04</u>	<u>Paid Loss and ALAE of 12/31/04</u>
1/1-12/31/04 Policy Period		---		
		--- None ---		

UTAH COUNTIES INSURANCE POOL - WORKERS COMPENSATION

APPENDIX B

SUPPORT EXHIBIT

Appendix B

UTAH COUNTIES INSURANCE POOL

WORKERS COMPENSATION

ESTIMATED ULTIMATE CLAIMS AND AVERAGE SEVERITY

(Losses Including ALAE Limited to \$300,000)

(Excluding Claims Closed without Payment)

A. ESTIMATED ULTIMATE CLAIMS WITH COST

<u>Policy Period</u>	<u>Reported Claims as of 12/31/04</u>	<u>Age of Policy Period in Months</u>	<u>Industry Claim Count Development Factor</u>	<u>Estimated Ultimate Claims with Cost</u>
1/1-12/31/04	238	12	1.111	264

B. ESTIMATED ULTIMATE AVERAGE SEVERITY

<u>Policy Period</u>	<u>Estimated Ultimate Incurred Losses</u>	<u>Estimated Ultimate Claims with Cost</u>	<u>Estimated Ultimate Average Severity</u>
1/1-12/31/04	\$ 850,456	264	\$ 3,221

UTAH COUNTIES INSURANCE POOL

Financial Statements
and
Independent Auditors' Report

December 31, 2004 and 2003

UTAH COUNTIES INSURANCE POOL

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Utah Counties Insurance Pool

We have audited the accompanying basic financial statements of **Utah Counties Insurance Pool** as of December 31, 2004 and 2003, and for the years then ended, listed in the foregoing table of contents. These basic financial statements are the responsibility of the Pool's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of **Utah Counties Insurance Pool** as of December 31, 2004 and 2003, and the results of its operations and its cash flow for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the Pool adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statement and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, and GASB Statement No 38, *Certain Financial Statement Note Disclosures*, in fiscal year 2002, effective January 1, 2001. Effective January 1, 2004, the Pool adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

The Management's Discussion and Analysis is not a required part of the basic financial statements of the Pool, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information as listed under the heading of Required Supplementary Information in the accompany table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Pool, but is supplementary information required by the Governmental Accounting Standards Board.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2005, on our consideration of the Pool's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Sandy, Utah
February 25, 2005

UTAH COUNTIES INSURANCE POOL

Management's Discussion and Analysis

December 31, 2004

COMPANY BACKGROUND

Utah Counties Insurance Pool (the Pool or UCIP) was incorporated in December 1991 as the Utah Association of Counties Insurance Mutual (the Mutual). In July 2003, the Mutual was renamed the Utah Counties Insurance Pool. The Pool is a non-profit public agency insurance mutual under the insurance statutes of the State of Utah and is an interlocal entity formed under section 11.13.101 et. seq. *Utah Code Annotated, 1953* as amended, as a joint program to insure risks for counties who enter into the interlocal agreement that creates UCIP. All of the Pool's business activities are conducted in the State of Utah.

2004 Environment

During 2004 the insurance industry saw a loosening of underwriting restrictions that had been building since 1999. UCIP experienced a flat (no increase on existing exposures) renewal of its liability reinsurance and favorably placed its workers' compensation reinsurance through the alternative market facility of County Reinsurance Limited, a Vermont-domiciled captive reinsurer that was formed under the auspices of the National Association of Counties. UCIP is also an equity holder of CRL. The cost of property reinsurance for UCIP will decrease in 2005 due to an extensive marketing of the program to reinsurers and the assumption of a higher risk by UCIP. The property reinsurance will be placed with underwriters at Lloyd's of London.

Basic Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the Pool's finances, in a manner similar to private-sector business.

The statements of net assets present information on all of the Pool's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Pool is improving or deteriorating. Net assets increase when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities results in increased net assets, which indicates an improved financial position.

The statements of revenues and expenses and changes in net assets present information showing how UCIP's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of timing of related cash flows. The revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

UTAH COUNTIES INSURANCE POOL

Management's Discussion and Analysis

December 31, 2004

The following discussion of the current financial position and condition of the Pool by management is intended to supplement the basic financial statements and notes to the basic financial statements.

FINANCIAL POSITION

Assets

Total assets at the end of 2004 were \$9,835,529, an increase of \$5,000 over 2003.

The Pool maintains a conservative investment policy. As a public entity, the Pool must adhere to the Utah Money Management Act. The UCIP Board of Trustees has also adopted an investment policy that is monitored by both the Board and the Board's Audit Committee. All securities must be issued to the Pool and held in our safe keeping account. Securities may not be held in brokerage accounts for any public agency governed by the Utah Money Management Act. The Pool does not invest in common stocks or mortgages.

Short-term investments are on deposit with the Utah Public Treasurer's Investment Fund and are available on a daily basis to meet claims and expenses.

Premium income has historically covered the Pool's needs for cash to pay claims and expenses. Management expects the positive cash flow to continue.

Liabilities

Total liabilities at the end of 2004 were \$5,266,064.

Aggregate reserves for losses and loss adjustment expenses are \$4,540,975, an increase over last year of \$1,173,898. The initial reserve for workers' compensation claims is \$580,000 of the increase; balance of the increase is due to adverse development in liability claims experience. Reserves are developed by the Pool's actuary and are at an expected confidence level. Administrative expenses overall increased to provide for resources needed to process claims and provide administrative services.

Net Assets

Net assets at December 31, 2004 were \$4,569,465 as compared to \$5,795,806 at the end of 2003. The decline in net assets tracks the increase in reserves almost to the dollar.

The Pool purchases specific reinsurance as a way to spread its risk and conserve assets to pay single claims that exceed a specific dollar value. For 2004 covered liability claims that exceed \$250,000 and Workers' Compensation claims exceeding \$300,000 are reinsured by County Reinsurance Limited. Covered property and crime claims that exceed \$150,000 are reinsured by Travelers.

UTAH COUNTIES INSURANCE POOL
Management's Discussion and Analysis
December 31, 2004

RESULTS OF OPERATIONS

Revenues

Revenue increased \$1,192,171, to approximately \$5.3 million in 2004. The increase is attributable to a new multiline member, Tooele County, exposure increases of existing members, and the initiation of the Workers' Compensation Program on January 1, 2004. Workers' Compensation earned about \$900,000 in premium in 2004.

Benefits and Expenses

Losses and loss adjustment expenses increased in part due to claims paid through the workers' compensation program. Reinsurance expenses decreased for all other programs but reflect the new cost of reinsuring workers compensation. Increases in administration expenses reflect the replacement of the liability third party administrator with in-house staff, hiring a new safety person for workers' compensation, brokerage and bond costs for workers' compensation, and the expense of a third party administrator for workers' compensation.

Investments

During 2003, the Pool moved from investing exclusively in the Utah Public Treasurers' Investment Fund to also investing in government bonds to generate a higher rate of return. Total investment income for the year ended 2004 was \$300,597, a 33% increase over 2003. Investment income effectively works to decrease the cost of coverage to members. Obtaining the best rate of return, while retaining necessary liquidity and maintaining security, is the Pool's investment goal.

Change in Net Assets

Change in net assets for 2004 was a decrease of \$1,226,341. The decrease was due to increased reserve requirements.

Claims are expected to continue to grow in line with the risk associated with the property and liability business. Increased risk management efforts can offset increases in claims, but the occasional adverse year can and will occur.

CASH FLOW AND LIQUIDITY

Liquidity

All of the Pool's assets are invested to maintain necessary liquidity. Immediate and near-term cash needs are invested with the Public Treasurer's Investment Fund. Assets that can be invested for a longer time period, thereby yielding a higher return, are "laddered" so that investments mature as needed.

UTAH COUNTIES INSURANCE POOL

Management's Discussion and Analysis

December 31, 2004

Currently the book value of the Pool's portfolio is \$9,653,509 as reported in the accompanying basic financial statements.

Cash Flow

The Pool's primary sources of funds are premium income and investment income. The primary uses of funds are claims and general expenses.

There are no known demands for cash that will likely cause material changes in the cash flow pattern.

Expected Trends

The budget for the year 2005 has been approved by the Board of Trustees and reflects no change in net assets. Total revenue is budgeted to increase 13% over 2004. This figure reflects no overall increase in the multiline program and expected premium from a second year of operating the workers compensation program. Total benefits and expenses are budgeted to balance with revenues.

Board Policies and Management Practices

The Board of Trustees of the Pool currently requires that audits, conducted by independent outside firms, be performed on an annual basis. The 2004 audit schedule included an actuarial loss reserve analysis, an actuarial contribution study, a liability claims audit, and a financial audit.

Opinion

The preceding Management's Discussion and Analysis provides an assessment of the financial position, results of operations, and cash flow and liquidity for the fiscal year ended December 31, 2004, as reported in the 2004 Annual Report. Representations made herein are those of management according to the best of their knowledge and belief.

This financial report is designed to provide a general overview of the Pool's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Executive Officer, Utah Counties Insurance Pool, 5397 South Vine, Murray, UT 84107.

Dated: April 12, 2005



Lester J. Nixon, CPCU
Chief Executive

UTAH COUNTIES INSURANCE POOL

Statement of Net Assets December 31, 2004 and 2003

ASSETS	2004	2003
Current assets:		
Cash and cash equivalents	\$ 1,643,772	\$ 974,605
Accounts receivable	23,499	1,698
Accrued investment income	71,933	83,518
Total current assets	1,739,204	1,059,821
Investments	8,009,737	8,765,773
Capital assets , net of accumulated depreciation of \$15,188 and \$272, respectively	86,588	4,839
Total assets	\$ 9,835,529	\$ 9,830,433
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Reserves for losses and loss adjustment expenses	\$ 4,540,975	\$ 3,367,077
Accounts payable	149,143	16,618
Payroll liabilities	18,458	13,492
Compensated absences payable	24,510	22,961
Pass through premiums	-	270
Premiums paid in advance	506,827	597,965
Total current liabilities	5,239,913	4,018,383
Building related payables	26,151	16,244
Total liabilities	5,266,064	4,034,627
Net assets:		
Invested in capital assets	86,588	4,839
Restricted for:		
Auto	23,093	28,420
Building debt service	69,040	60,235
Building repairs and maintenance	22,536	20,721
Unrestricted	4,368,208	5,681,591
Total net assets	4,569,465	5,795,806
Total liabilities and net assets	\$ 9,835,529	\$ 9,830,433

The accompanying notes to financial statements
are an integral part of these statements.

UTAH COUNTIES INSURANCE POOL
Statement Revenue, Expenses, and Changes of Net Assets
For the Years Ended December 31, 2004 and 2003

	2004	2003
Income:		
Premiums and other considerations	\$ 5,101,311	\$ 3,930,854
Investment income	300,597	225,390
Realized loss on investments	(42,455)	(4,052)
Administration fee reimbursement	-	22,894
Miscellaneous income	9,615	1,811
Total income	5,369,068	4,176,897
Benefits:		
Losses and loss adjustment expenses	3,876,774	2,590,871
Reinsurance expense	1,456,500	1,374,225
Total benefits	5,333,274	3,965,096
Administration expenses:		
Accounting	18,870	17,970
Actuary	18,635	15,386
Auto	6,758	2,600
Bank expense	166	244
Brokerage expense	105,000	80,000
Board expense	38,700	32,044
Bonding	37,500	-
Building	23,501	13,521
Copying	1,174	(24)
Depreciation	14,916	272
Dues and subscriptions	4,175	3,845
Exhibitions and sponsorships	6,338	8,149
Information technology	13,685	4,178
Insurance	1,659	4,199
Lease purchase (debt service)	81,241	68,549
Licenses & permits	1,850	-
Lobbying & legislative tracking	10,025	-
Loss control - training	29,198	14,078
Office equipment	553	1,540
Office supplies	7,331	2,325
Pass-through premium	16,414	-
Postage	2,854	1,978
Premium credits and incentives	6,751	77,868
Premium taxes	90,667	-
Printing	1,743	2,204
Professional fees	21,968	25,070
Spoiled checks	(547)	-
Staff expenses	528,032	310,785
Telephone	5,769	4,556
TPA WC	167,209	-
Total administration expenses	1,262,135	691,337
Total benefits and expenses	6,595,409	4,656,433
Change in net assets	(1,226,341)	(479,536)
Net assets, beginning of year	5,795,806	6,275,342
Net assets, end of year	\$ 4,569,465	\$ 5,795,806

The accompanying notes to financial statements
are an integral part of these statements.

UTAH COUNTIES INSURANCE POOL
Statements of Cash Flows
For the Years Ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Premiums collected	\$ 5,010,173	\$ 3,916,948
Reinsurance paid	(1,456,500)	(1,374,225)
Administrative fee reimbursement	-	147,480
Amounts withheld for others	(12,456)	383
Losses and loss adjustment expenses paid	(2,702,876)	(2,510,277)
Administrative expenses paid	(1,098,272)	(622,930)
 Net cash used by operating activities	 <u>(259,931)</u>	 <u>(442,621)</u>
 Cash flows from capital and related financing activities:		
Change in restricted net assets	(5,293)	-
Acquisition of capital assets	(96,090)	(5,111)
 Net cash used by capital and related financing activities	 <u>(96,090)</u>	 <u>(5,111)</u>
 Cash flows from investing activities:		
Purchases of bonds	(3,585,033)	(10,399,203)
Proceeds from sale of bonds	4,291,362	1,626,000
Interest on investments	318,859	145,250
 Net cash provided (used) by investing activities	 <u>1,025,188</u>	 <u>(8,627,953)</u>
 Net increase (decrease) in cash and cash equivalents	 669,167	 (9,075,685)
 Cash and cash equivalents at beginning of period	 <u>974,605</u>	 <u>10,050,290</u>
 Cash and cash equivalents at end of period	 <u><u>\$ 1,643,772</u></u>	 <u><u>\$ 974,605</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

	<u>2004</u>	<u>2003</u>
Reconciliation of change in net assets to net cash used in operating activities:		
Change in net assets	<u>\$ (1,226,341)</u>	<u>\$ (479,536)</u>
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	14,916	272
Interest received on investments	(318,859)	(145,250)
Amortization of investments	6,677	3,378
Realized loss on sale of investments	42,455	4,052
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(21,801)	2,276
Decrease in administration fees receivable	-	124,586
(Increase) decrease in accrued investment income	11,585	(83,518)
Increase in reserves for		
loss and loss adjustment expenses	1,173,898	80,594
Decrease in pass through premium	(270)	(3,704)
Increase in accounts payable	132,525	15,438
Increase in payroll liabilities	4,966	13,492
Increase in compensated absences	1,549	22,961
Decrease in premiums		
paid in advance	(91,138)	(13,906)
Increase in building related payable	<u>9,907</u>	<u>16,244</u>
Total adjustments	<u>966,410</u>	<u>36,915</u>
Net cash flows used by operating activities	<u><u>\$ (259,931)</u></u>	<u><u>\$ (442,621)</u></u>

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Utah Counties Insurance Pool (the Pool or UCIP) was incorporated in December 1991 as the Utah Association of Counties Insurance Mutual (the Mutual). In July 2003, the Mutual was renamed the Utah Counties Insurance Pool. The Pool is a non-profit public agency insurance mutual under the insurance statutes of the State of Utah and is an interlocal entity formed under section 11.13.101 et. seq. *Utah Code Annotated, 1953* as amended, as a joint program to insure risks for counties who enter into the interlocal agreement that creates UCIP. The Pool started insuring workers compensation insurance effective January 1, 2004. All of the Pool's business activities are conducted in the State of Utah.

Accounting Principles

These financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP) and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The Pool adopted Governmental Accounting Standards Board Statement No 34, *Basic Financial Statements - and Management Discussion and Analysis - for State and Local Governments* (GASB Statement 34), GASB Statement No. 37, *Basic Financial statement and Management's Discussion and Analysis – For State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Disclosures*, in fiscal year 2002, effective January 1, 2001. Effective January 1, 2004, the Pool adopted GASB Statement No 40, *Deposit and Investment Risk Disclosures*. With the implementation of these statements, the Pool has prepared required supplementary information titled 'Managements' Discussion and Analysis' which precedes the basic financial statements, has prepared a balance sheet classified between current and noncurrent assets and liabilities, has categorized net assets as invested in capital assets and unrestricted, has prepared the statements of cash flows on the direct method, and provided additional schedules to better communicate the financial status of the governmental entity.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

Significant estimates of the Pool include the reserve for losses and loss adjustment expenses.

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Pool is exempt from the payment of income taxes under Section 115 of the Internal Revenue Code.

Premiums

Substantially all policies have a common annual renewal date of January 1. Premiums written are earned on a daily pro rata basis over the policy term.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Pool considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. Therefore, the investment in Utah Public Treasurers' Fund and cash on deposit are considered to be cash equivalents.

Investments

Investments are comprised of various U.S. Government securities. Investments in U.S. Government securities as of December 31, 2004 and 2003 consist of held-to-maturity securities.

Held-to-maturity securities are reported at cost, adjusted for amortization of premiums and accretion of discounts that are recognized in interest income using the effective interest method over the period to maturity.

Capital Assets

Capital assets are defined by the Pool as assets with an initial individual cost of more than \$500. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from 3 to 5 years. Depreciation expense for the years ended December 31, 2004 and 2003 amounted to **\$14,917** and \$272, respectively.

Maintenance and repairs, which do not materially extend the useful lives and minor replacements, are expensed as incurred.

Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as compensated absences payable.

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reserves for Losses and Loss Adjustment Expenses

The reserves for losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

Financial Statement Reclassification

Certain amounts in the prior periods presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported changes in net assets.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Listed below is a summary of the cash and investment portfolios as of December 31, 2004 and 2003. Investing is governed by the prudent man rule in accordance with statutes of the State of Utah. All investments of the Pool are considered to have been made in accordance with these governing statutes.

Cash and cash equivalents

Cash and cash equivalents of the Pool are carried at cost. The carrying amount of the cash on deposit, net of outstanding checks, is **\$112,047** and \$196,738, as of December 31, 2004 and 2003, respectively. The corresponding bank balance of the deposits was **\$219,535** and \$231,013 as of December 31, 2004 and 2003, respectively. As of December 31, 2004 and 2003, **\$100,000** and \$100,000 of the Pools cash on deposit was insured by the FDIC.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2004 and 2003, the Pool had amounts over FDIC insurance of **\$119,534** and \$131,043.

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

As of December 31, 2004 and 2003, the Pool's cash and cash equivalents and investments included the following:

	<u>2004</u>	<u>2003</u>
Cash on deposit	\$ 112,048	\$ 196,738
Money market funds	433,111	26,078
Utah Public Treasurer's Investment Fund - held by the Trust	<u>1,098,613</u>	<u>751,789</u>
Total cash and cash equivalents	1,643,772	974,605
Investments - U.S. government securities	<u>8,009,737</u>	<u>8,765,773</u>
Total cash and cash equivalents and investments	<u>\$ 9,653,509</u>	<u>\$ 9,740,378</u>

Investments

The Pool records its investments in U.S. Treasuries and U.S Agencies at amortized cost. The differences between book value and fair value as of December 31, 2004 and 2003 are as follows:

	<u>2004</u>				
	<u>Cost/ Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Statement Value</u>
Government bonds	\$ 7,808,030	\$ 6,933	\$ 80,761	\$ 7,734,202	\$ 7,808,030
Equity investments	<u>201,707</u>	<u>-</u>	<u>-</u>	<u>201,707</u>	<u>201,707</u>
Total investments	<u>\$ 8,009,737</u>	<u>\$ 6,933</u>	<u>\$ 80,761</u>	<u>\$ 7,935,909</u>	<u>\$ 8,009,737</u>

	<u>2003</u>				
	<u>Cost/ Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Statement Value</u>
Government bonds	\$ 8,765,773	\$ 10,226	\$ 63,982	\$ 8,712,017	\$ 8,765,773
Total investments	<u>\$ 8,765,773</u>	<u>\$ 10,226</u>	<u>\$ 63,982</u>	<u>\$ 8,712,017</u>	<u>\$ 8,765,773</u>

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

The schedule below provides information about the credit risk, interest rate risk, credit rate risk, and concentration of credit risk associated with the Pool's investments as of December 31, 2004 and 2003.

		2004			
		Investment Maturities (in Years) (in thousands)			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Investment type:					
as of December 31, 2004:					
U.S. Agencies	\$ 7,734,202	\$ 293,681	\$ 5,476,067	\$ 1,964,454	\$ -
Equity investment in CRL	<u>201,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,707</u>
Total investments	<u>\$ 7,935,909</u>	<u>\$ 293,681</u>	<u>\$ 5,476,067</u>	<u>\$ 1,964,454</u>	<u>\$ 201,707</u>
		2003			
		Investment Maturities (in Years) (in thousands)			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Investment type:					
as of December 31, 2003:					
U.S. Agencies	\$ 8,712,017	\$ -	\$ 4,837,525	\$ 3,874,492	\$ -
Total investments	<u>\$ 8,712,017</u>	<u>\$ -</u>	<u>\$ 4,837,525</u>	<u>\$ 3,874,492</u>	<u>\$ -</u>

Interest Rate Risk

The Pool has not adopted a formal policy relating to interest rate risk.

Credit Rate Risk

It is the Pool's policy to limit its investments to the top ratings issued by nationally recognized statistical rating organizations (NRSROs) so the total investment portfolio maintains an "A" (S&P) or equivalent minimum rating. The Pool's investments in bonds were rated "AAA" by Standard & Poor's and Fitch Ratings, and "Aaa" by Moody's Investors Service.

Concentration of Credit Risk

The Pool places no limit on the amount the Pool may invest in any one issuer.

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

3. INTEREST RATES

The interest rates for assets held with the Utah Public Treasurers' Investment Fund were **2.34%** and **1.52%** for the years ended December 31, 2004 and 2003, respectively.

4. RELATED PARTY TRANSACTIONS

The Pool had an agreement with Utah Association of Counties (UAC) to provide administrative services. The agreement was terminated effective December 31, 2002. Administrative expenses included reimbursement of salaries, loss control services and rent of office space under this agreement. Administrative expenses were \$494,804 for the year ended December 31, 2002. In 2003, the Pool was reimbursed **\$147,480** for overpayment of for services under this agreement.

The Pool pays UAC quarterly for building maintenance, office supplies, DSL lines, etc. The Pool paid UAC **\$56,270** and \$61,713 for these services for the year ended December 31, 2004 and 2003, respectively.

Amounts payable to UAC as of December 31, 2004 and 2003 amounted to **\$25,141** and \$26,256, respectively for third and fourth quarter fees and interest on the building.

Both the Pool and UAC have agreed that the Pool has an equity interest in the building, but no formal agreement has been signed as to the specifics of the Pool's equity interest in the building.

5. CONTINGENCIES

The Pool is subject to litigation from the settlement of claims contested in the normal course of business. The losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated unpaid loss and loss adjustment expense liabilities.

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

6. REINSURANCE

Effective 2003, the Pool has purchased only specific reinsurance coverage. The agreement provides for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$150,000 self-insured retention.

Effective 2004, the Pool has purchased reinsurance for its workers compensation insurance in excess of a \$300,000 self-insured retention.

Estimated claims loss liabilities are stated net of estimated losses applicable to reinsurance ceded to other insurance companies. However, the Pool is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

Unsecured Reinsurance Recoverables

The Company does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with and individual reinsurers, authorized or unauthorized, that exceeds 3% of the Pool's policyholder surplus.

Reinsurance Recoverable in Dispute

The Company does not have any disputed balances or uncollectible funds.

7. RETIREMENT PLAN

The retirement plan for employees of the Pool is funded by the Pool. The employees are covered under multiple-employer, public employee retirement systems administered by the State Retirement System. This plan is noncontributory and includes a 401(k) plan. The Pool contributes 9.62% and 8.54% of employee's salaries under the plans. The Pool's employees are also covered under a 457 plan for which the Pool contributes 4.3% of employee's salaries.

The total retirement expense for the Pool for the year ended December 31, 2004 and 2003 was **\$71,318** and **\$35,274**, respectively.

UTAH COUNTIES INSURANCE POOL
Notes to Basic Financial Statements

8. UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased by approximately **\$509,000** and \$141,000 in 2004 and 2003, respectively, as a result of reestimation of unpaid losses and loss adjustment expenses. This change is generally the result of ongoing analysis of recent loss development trends. Original estimates change as additional information becomes known regarding individual claims.

	<u>2004</u>	<u>2003</u>
Balance at January 1 (in thousands)	\$ 3,367	\$ 3,286
Incurred, related to:		
Current year	3,573	2,304
Prior year	509	(141)
Total incurred	<u>4,082</u>	<u>2,163</u>
Paid, related to:		
Current year	1,104	661
Prior year	1,804	1,421
Total paid	<u>2,908</u>	<u>2,082</u>
Balance at December 31	<u><u>\$ 4,541</u></u>	<u><u>\$ 3,367</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

UTAH COUNTIES INSURANCE POOL

Premiums and Loss Development Information

The following table compares the Pool's earned revenues net of reinsurance and investment income to related costs of losses and loss adjustment expenses, net of reinsurance, assumed by the Pool. The table is defined as follows: (1) show each year's net earned premiums, other operating revenues and interest income, (2) shows each year's other operating expenses including overhead and loss adjustment expenses not allocable to specific claims, (3) show incurred losses and allocated loss adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred, (4) shows the cumulative amounts paid as of the end of successive years for each accident year, (5) shows how each coverage year's incurred losses increased or decreased as of the end of the successive years: this annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims, (6) compares the latest reestimated incurred loss amounts to the amounts originally established. Pool information is only available in the format shown below for the years presented.

(in thousands)	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
(1) Earned premiums, other operating revenues and investment revenues, net of reinsurance	2,760	2,652	2,891	2,787	2,768	2,803	3,912
(2) Unallocated expense	215	253	224	224	233	242	-
(3) Estimated incurred claims, both paid and accrued, end of accident year	1,558	1,530	1,580	1,715	1,905	2,304	3,495
(4) Paid (cumulative) as of:							
End of accident year	592	480	334	504	511	661	1,104
One year later	740	744	468	964	910	1,190	-
Two years later	890	931	583	1,264	1,224	-	-
Three years later	1,175	1,024	788	1,588	-	-	-
Four years later	1,276	1,302	1,049	-	-	-	-
Five years later	1,225	1,422	-	-	-	-	-
Six years later	1,308	-	-	-	-	-	-
(5) Reestimated incurred losses and expenses:							
End of accident year	1,558	1,530	1,581	1,714	1,905	2,304	3,495
One year later	1,558	1,531	1,183	1,923	1,574	2,178	-
Two years later	1,480	1,530	953	1,715	1,775	-	-
Three years later	1,395	1,463	972	1,715	-	-	-
Four years later	1,252	1,471	1,120	-	-	-	-
Five years later	1,309	1,530	-	-	-	-	-
Six years later	1,399	-	-	-	-	-	-
(6) Decrease in estimated incurred losses and expenses from end of accident year	(159)	-	(460)	-	(130)	(126)	-

SUPPLEMENTARY INFORMATION

UTAH COUNTIES INSURANCE POOL

Statement of Net Assets

by Line of Business

December 31, 2004

<u>ASSETS</u>	<u>Multiline</u>	<u>Workers Comp</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 1,586,563	\$ 57,209	\$ 1,643,772
Accounts receivable	23,499	-	23,499
Accrued investment income	61,569	10,364	71,933
Total current assets	1,671,631	67,573	1,739,204
Investments	6,694,587	1,315,150	8,009,737
Capital assets , net of accumulated depreciation of \$15,188 and \$272, respectively	86,588	-	86,588
Total assets	<u>\$ 8,452,806</u>	<u>\$ 1,382,723</u>	<u>\$ 9,835,529</u>
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Reserves for losses and loss adjustment expenses	\$ 3,964,729	\$ 576,246	\$ 4,540,975
Accounts payable	58,476	90,667	149,143
Payroll liabilities	18,458	-	18,458
Compensated absences payable	24,510	-	24,510
Premiums paid in advance	319,796	187,031	506,827
Total current liabilities	4,385,969	853,944	5,239,913
Building related payables	26,151	-	26,151
Total liabilities	<u>4,412,120</u>	<u>853,944</u>	<u>5,266,064</u>
Net assets:			
Invested in capital assets	86,588	-	86,588
Restricted for:			-
Auto	23,093	-	23,093
Building debt service	69,040	-	69,040
Building repairs and maintenance	22,536	-	22,536
Unrestricted	3,839,429	528,779	4,368,208
Total net assets	<u>4,040,686</u>	<u>528,779</u>	<u>4,569,465</u>
Total liabilities and net assets	<u>\$ 8,452,806</u>	<u>\$ 1,382,723</u>	<u>\$ 9,835,529</u>

UTAH COUNTIES INSURANCE POOL
Statement of Revenues, Expenses, and Changes in Net Assets
by Line of Business
For the Year Ended December 31, 2004

	<u>Multiline</u>	<u>Workers Comp</u>	<u>Total</u>
Income:			
Premiums and other considerations	\$ 4,194,644	\$ 906,667	\$ 5,101,311
Investment income	263,341	37,256	300,597
Realized loss on investments	(42,455)	-	(42,455)
Miscellaneous income	9,615	-	9,615
Total income	<u>4,425,145</u>	<u>943,923</u>	<u>5,369,068</u>
Benefits:			
Losses and loss adjustment expenses	3,057,601	819,173	3,876,774
Reinsurance expense	1,227,947	228,553	1,456,500
Total benefits	<u>4,285,548</u>	<u>1,047,726</u>	<u>5,333,274</u>
Administration expenses:			
Accounting	15,473	3,397	18,870
Actuary	12,000	6,635	18,635
Auto	1,112	5,646	6,758
Bank expense	151	15	166
Brokerage expense	80,151	24,849	105,000
Board expense	31,832	6,868	38,700
Bonding	-	37,500	37,500
Building	23,501	-	23,501
Copying	1,174	-	1,174
Depreciation	14,916	-	14,916
Dues and subscriptions	4,175	-	4,175
Exhibitions and sponsorships	4,763	1,575	6,338
Information technology	13,685	-	13,685
Insurance	1,420	239	1,659
Lease purchase (debt service)	81,241	-	81,241
Licenses & permits	-	1,850	1,850
Lobbying & legislative tracking	8,220	1,805	10,025
Loss control - training	24,070	5,128	29,198
Office equipment	553	-	553
Office supplies	7,331	-	7,331
Pass-through premium	16,414	-	16,414
Postage	2,854	-	2,854
Premium credits and incentives	5,536	1,215	6,751
Premium taxes	-	90,667	90,667
Printing	1,743	-	1,743
Professional fees	21,903	65	21,968
Spoiled checks	(547)	-	(547)
Staff expenses	441,464	86,568	528,032
Telephone	5,769	-	5,769
TPA WC	-	167,209	167,209
Total administration expenses	<u>820,904</u>	<u>441,231</u>	<u>1,262,135</u>
Total benefits and expenses	<u>5,106,452</u>	<u>1,488,957</u>	<u>6,595,409</u>
Change in net assets before transfers	<u>(681,307)</u>	<u>(545,034)</u>	<u>(1,226,341)</u>
Transfers between funds	(1,073,813)	1,073,813	-
Change in net assets	<u>(1,755,120)</u>	<u>528,779</u>	<u>(1,226,341)</u>
Net assets, beginning of year	5,795,806	-	5,795,806
Net assets, end of year	<u>\$ 4,040,686</u>	<u>\$ 528,779</u>	<u>\$ 4,569,465</u>

OTHER INDEPENDENT AUDITORS' REPORTS

**Independent Auditors' Report on Compliance and on
Internal Control Over Financial Reporting Based Upon the Audit Performed in
Accordance with Government Auditing Standards**

The Board of Directors
Utah Counties Insurance Pool

We have audited the financial statements of **Utah Counties Insurance Pool** as of and for the year ended December 31, 2004, and have issued our report thereon dated February 24, 2005.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether **Utah Counties Insurance Pool's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Utah Counties Insurance Pool's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Utah Counties Insurance Pool

February 25, 2005

Page 2

This report is intended solely for the information and use of the board of directors and management of **Utah Counties Insurance Pool** and the State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.

Sandy, Utah

February 25, 2005

Independent Auditors' Report on State Legal Compliance

The Board of Directors
Utah Counties Insurance Pool

We have audited the financial statements of **Utah Counties Insurance Pool** as of and for the year ended December 31, 2004, and have issued our report thereon dated February 25, 2005. As part of our audit, we have audited **Utah Counties Insurance Pool's** compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2004. The Pool received no funding from major State assistance programs from the State of Utah.

Our audit also included test work on the Pool's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

- Cash management
- Purchasing requirements
- Budgetary compliance
- Special districts
- Other general issues

The management of **Utah Counties Insurance Pool** is responsible for the Pool's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Pool's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The Board of Directors
Utah Counties Insurance Pool
February 25, 2005
Page 2

The results of our audit procedures disclosed one instance of noncompliance with the requirements referred to above. **Utah Counties Insurance Pool** overspent its budget for losses and loss adjustment expenses. It is very difficult to estimate how much will be spent on claims each year. The budget number was based on actuarial calculations and the prior year claims history. This year's experience was worse than expected, therefore, the budget was overspent.

In our opinion, except as noted above, **Utah Counties Insurance Pool**, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2004.

Sandy, Utah
February 25, 2005

UTAH COUNTIES INSURANCE POOL

Management Letter

December 31, 2004

February 25, 2005

The Board of Directors
Utah Counties Insurance Pool
Murray, Utah

We have audited the basis financial statements of **Utah Counties Insurance Pool** (the Pool) for the year ended December 31, 2004, and have issued our report thereon dated February 25, 2005. As part of our audit, we made a study and evaluation of the Pool's system of internal control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America and have issued our report thereon dated February 25, 2005. The purpose of this letter is to recommend certain matters which came to our attention during the course of the audit, which we believe will strengthen internal control and operating efficiency. These matters are not considered to be material weaknesses as defined in our reports on internal control referred to above. These matters, together with our recommendations, are presented below for your consideration.

Code of Ethics and Fraud Policy

In light of recent events relating to fraud in the nation as a whole, the American Institute of Certified Public Association (AICPA) has adopted a new standard that requires auditors to review the Company's fraud policy effective for years beginning after December 15, 2002. We recommend that the Pool institute a fraud policy including a code of ethics to clarify the Pool's position relating to fraud.

The code of ethics and fraud policy apply to all individuals in the Pool, regardless of their function or position. We recommend that all employees be required to review the code of ethics and fraud policy annually and evidence that review by signing a statement of compliance.

Credit Cards

During our testing of cash disbursements, we noted that the board approves that total monthly expenditures for credit cards and not the individual amounts that make up these totals. With the approval of the increase in credit card limits and to increase controls over credit card transactions, we recommend that the board be given the detail of the credit card expenditures to approve.

Interest Rate Risk

With the adoption of GASB 40, *Deposit and Investment Risk Disclosures*, we recommend the Pool consider formalizing its policy regarding Interest Rate Risk to include limits on the amount of investments that can be invested in securities maturing at specific time periods. This will limit the Pool's exposure to fair value losses arising from rising interest rates.

This letter, by its nature, contains only our comments and recommendations observed during the course of our audit. Our comments are not to reflect the integrity or capabilities of anyone in your organization. Our interest is to help you improve the operations and control of the Pool.

We appreciate the courteous assistance of your personnel during the course of our audit. Should you have any questions regarding the above recommendations and comments, or require assistance in their implementation, please feel free to contact us.

Sincerely,

LARSON & COMPANY, P.C.

Geri A. Douglas, CPA
Officer/Shareholder

Sonya White

From: Sonya White [sonya@ucip.utah.gov]
Sent: Monday, April 18, 2005 9:48 AM
To: 'editor@sltrib.com'
Subject: Notice of Meetings

Sonya White

Utah Counties Insurance Pool
5397 South Vine Street
Salt Lake City, UT 84107
801.293.3098
801.293-3480 (fax)



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